

# **Report and Financial Statements**

**For the year ended 31 December 2020**

**Church Society**  
**(A company limited by guarantee)**

**Company No 213142**  
**Charity Registration No 249574**



# **Church Society**

## **Financial statements for the year ended 31 December 2020**

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# Church Society

## Financial statements for the year ended 31 December 2020

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### Council members

The Revd N T Atkinson  
The Revd Dr M E Burkill  
Mr P M Cawson QC (until 20 November 2020)  
The Revd Dr A V Cinnamond  
The Revd P T Darlington  
Mr J Eggertsen  
The Revd R W Farr  
The Revd Dr J Hughes  
Mrs R C Hunt  
The Revd C R H Kilgour  
Mr Niv Lobo (from 11 August 2020)  
The Revd R S Munro  
Mrs A Robbie  
The Revd W Taylor (until 8 October 2020)  
The Revd A P J Towner (Chairman)  
The Revd Dr J D Ward  
The Revd R A R Weekes  
The Revd T Woolford

### Director

The Revd Dr Lee Gatiss

### Charity number

249574

### Company number

213142

### Registered office

Hille Business Estate  
132 St Albans Road  
Watford  
WD24 4AE

### Auditors

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

### Principal address

Hille Business Estate  
132 St Albans Road  
Watford  
WD24 4AE

# **Church Society**

## **Financial statements for the year ended 31 December 2020**

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### **Bankers**

The Royal Bank of Scotland plc  
London Fleet Street Branch  
1 Fleet Street  
London  
EC4Y 1BD

Barclays Bank plc  
62/64 High Street  
Watford  
WD17 2BT

### **Solicitors**

Monro Wright & Wasbrough LLP  
7-8 Great James Street  
London  
WC1N 3DF

# Church Society

## Trustees' and directors' report For the year ended 31 December 2020

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The directors present their report and the financial statements for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

### Charity's objectives

Church Society is a registered charity. Its objectives are set out in the Company's governing document, the Memorandum of Association. The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The overall purpose of the Society is to maintain the character of the Church of England as a reformed and national Church witnessing to and seeking to serve the entire nation for the benefit of all. In particular by;

- upholding the supremacy, sufficiency and authority of Scripture;
- equipping and encouraging parochial clergy and lay people in their ministries;
- supporting local churches;
- administering and holding funds and properties with local and national benefits;
- contending for the reformed worship and doctrine of the 39 Articles and Book of Common Prayer;
- uniting all who share these principles;
- promoting friendship with all churches which accept the supreme authority of God's word written;
- opposing all practices which are contrary to reformed doctrine;
- taking all manner of action, including legal and political, to pursue these objectives.

Church Society is working towards these objectives through publishing, parish support, campaigning and administering trusts. Wherever possible this is done in consultation and co-operation with other groups and organisations. In carrying out activities the directors confirm that they have had due regard to the guidance issued by the Charity Commission relating to public benefit and believe that Church Society provides benefit to the public in a variety of ways. These are described in the sections under activities and achievements and under managed funds.

Through its allied company, Church Society Trust, the Society is involved in the patronage work of the Church of England. The Trust is responsible for 125 Livings, many of which are on a shared basis.

Church Society manages a number of financial trusts with various objectives including:

- supporting the training and education of ordinands and clergy;
- Christian work in various parishes or locations subject to certain conditions

Through other trusts the Society owns various properties on behalf of others, in particular 2 Proprietary Chapels (one in Germany) and an Independent Evangelical Church. It acts as holding trustees and appoints some of the trustees for one Church, one Hall and a school. A further trust provides offices for the Society and accommodation for staff.

The key management personnel of the Society are the Council (the Trustees), The Director Revd Dr Lee Gatiss and the Associate Director Dr Ros Clarke. They are in charge of directing, controlling, running and operating the charity on a day to day basis. The Council consists of up to 15 people elected annually by the members of the Society. Up to 5 additional members Council members can be co-opted as required and in 2020, there were two co-opted members of the Council. New trustees are provided with guidance on their responsibilities.

The trustees give of their time freely and did not receive any remuneration in the year. Details of related party transactions are disclosed in Note 7 to the financial statements. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Members of staff received small salary increases in April 2020 that are broadly in line with wage inflation. The Church Society will continue to benchmark staff benefits against staff performing similar roles in similar charities.

The Churchman Editorial Board and Church Society Trust Directors operate largely as committees of the Council. In addition, there is a finance committee. The Council must approve appointments of Church Society Trust Members and the membership of certain other charitable trusts.

Two full-time and two part-time members of staff were employed throughout the year, and their work was greatly assisted by three part-time regional directors, each enabled to do this work through the generous support of their churches. Other volunteers also assist in many areas and their efforts are much appreciated. The Society is an association of members who share a common vision and members do much of the work of the Society.

### Activities and achievements

During the course of the year, Church Society continued to be actively involved in fulfilling its primary objectives of promoting what the Queen's Coronation Oath refers to as "the true profession of the gospel... the Protestant Reformed religion", which is the backbone of the Church of England, as the established religion of the United Kingdom. This included supporting individuals, parishes, and other organisations working along these lines, and in challenging and opposing teaching and actions which run counter to this faith, both within the national church and society more widely.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2020

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### *Conferences*

Our 2020 Fellowship Conference, featuring keynote talks from R. Kent Hughes, was held from 3rd-5th February at The Hayes Conference Centre, Swanwick. The focus this year was on "Preaching to the Heart", including expositions of Acts from Jason Ward, and seminars with historical perspectives on preaching applied to contemporary situations from Bishop Wallace Benn, Simon Vibert, and Andrew Towner. At the Fellowship Conference, we foster a forum for debate, sharing ideas and encouraging one another in ministry. Each session is rooted in clear teaching, but includes substantial time for interaction, application and deepening our appreciation of it. We are committed to reformed theology and its application to the whole of life, but are ready to encourage and help each other wrestle with its challenges. We are a genuine fellowship, with plenty of time given for spiritual encouragement and prayer, for cultivating friendships old and new, and for resting from the usual frantic pace of ministry. We hope this conference will be a time of real spiritual and physical refreshment for both clergy and lay people.

In collaboration with the Bishop of Maidstone, we intended to hold a series of regional conferences during 2020. As it turned out, we were only able to run one of these, in Manchester on March 3rd, but it was very well attended. Lee Gatiss and Rob Munro spoke about episcopacy in principle and in practice, and Lee published a further paper on "Evangelicals and their Bishops on the Bishop of Maidstone's website." There was also a panel discussion and time for questions with Rod Thomas joining the speakers. Lee's talk "Episcopacy and Evangelical Leadership" from the day was shared on our website and Soundcloud account, and gathered much interest.

Plans for our annual conference had to be re-thought because of the coronavirus pandemic, but we were able to hold our AGM in August via Zoom. Similarly, the pandemic affected the Junior Anglican Evangelical Conference (JAEC) on "Anglican Essentials" which moved online. This enabled even more delegates than before to join us for an extended programme beginning in July with a pastoral charge from Lee Gatiss on Titus 2 and a series of seminars throughout August on liturgy, ordination, curacy, all-age services, and ministry and family life. On September 1st and 2nd there were then further talks on "Faithful Ecclesiology" (James Hughes), "Rich Liturgy" (Mark Smith), and "Deep Spirituality" (Mark Pickles), as well as a Bible exposition from Bishop Graham Tomlin on Daniel 6 and Daniel 9. Further workshops on episcopacy, laity, local partnerships, and the daily office were held online in the autumn.

### *Resources*

Our aim is to equip God's people to live God's word, as a fellowship contending to reform and renew the Church of England in biblical faith. One of our key strategies for doing this is by resourcing local churches and Christians through our publishing ministry, which includes print media, online resources, and audio-visual resources, as well as an email newsletter every fortnight. Many of the sessions in our conferences are recorded and made available online via SoundCloud, Vimeo, and YouTube, along with other occasional talks (e.g. "Is the Bible Dangerous?", "Pleasing the Impassible God", and "The Anglican Doctrine of the Church") and weekly resources such as "Lee on the Lectionary" videos. Our podcast (both video and audio versions) is a regular feature online with many issues from abortion, racism, and cancel culture, to sleep, Christian journalism, and mental health issues discussed by a wide range of guests, as well as our daily prayer tweets and Facebook posts and other social media engagement.

Throughout the year we also published responses and resources relating to issues in the Church of England, such as the "Pastoral statement" from the House of Bishop regarding civil partnerships in January 2020, and the Living in Love and Faith resources which were released in November. Lee Gatiss and Kirsty Birkett (who joined us as a Theological Consultant in the autumn) engaged with this new material on identity, sexuality, relationships, and marriage in a series of videos, podcasts, and blogposts. We also had articles covering topical issues such as mental health, abuse, rest, technology, long-term ministry, class, catechisms, and plagues. We even published a Spanish translation of Lee Gatiss's posts on the Anglican doctrine of the Church, Una congregación de hombres fieles, which was of interest to Anglicans in other parts of the global communion.

We continue to publish our quarterly members magazine, Crossway, edited by Ros Clarke. During the year, Crossway looked at issues as diverse as church education, and creating healthy Christian cultures (with Justin Humphreys of the safeguarding organisation 31:8); the Evangelical Fellowship in the Anglican Communion (with Peter Walker), training for gospel ministry in Singapore, and producing Anglican materials for Chile; the theology of church, sacraments, ordination and episcopacy; and racism, with articles from Church Society members Niv Lobo, Oyin Oladipo, Ro Mody, Martin Davy, and Aneal Appadoo for example, about their experience of racism in the UK and the Church of England.

This year, we changed the name of our international journal of Anglican theology from Churchman (which some have felt is an archaic and obsolete word) to The Global Anglican. Lee Gatiss and Ros Clarke (assistant editor) were joined by Archbishop Peter Jensen (the editor), Bishop Samuel Morrison from Chile, and Bishop Alfred Olwa from Uganda in a live online launch event for this in September. Each issue aims to promote the faith of the Holy Scriptures and such teachings of the ancient Fathers and Councils of the Church as are agreeable to the said Scriptures. In particular such doctrine is to be found in the Thirty-nine Articles of Religion, The Book of Common Prayer, and the Ordinal, in line with the doctrinal position of Church Society. The Global Anglican is a journal committed to excellence in upholding high academic standards in its articles, book reviews, and editorial. It is an ecclesiastical journal that aims to speak to the

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## Trustees' and directors' report For the year ended 31 December 2020

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pastoral needs of the contemporary church, and to equip ministers, students, and lay people to persuade others of the eternal truths of our faith in Jesus Christ and the need for them to be applied today for the renewal of the church and the conversion of the world. As Andrew Atherstone (the chair of the editorial board) said at the time:

"Today there are 41 provinces in the Anglican Communion, with the recent inaugurations of the Episcopal Church of Sudan in 2017, Iglesia Anglicana de Chile in 2018, and Alexandria in 2020. This global trend continues to gather pace. Meanwhile, many vibrant new expressions of Anglicanism have begun to flourish outside the structures of the old Communion. It is no longer sufficient to be a merely parochial, or even provincial, Anglican. Anglicanism is a truly global movement. In keeping with these new realities, our new name is not just The Anglican, but The Global Anglican."

Extracts from the journal were published on our blog during the year, and the first newly-named edition of The Global Anglican was made free to download in its entirety.

Ros Clarke also continues to run the Priscilla Programme, our online training course for women in a partnership between Church Society and Union School of Theology. The programme is designed for women who are involved in a local church, and would like to be better equipped to serve in ministries such as Sunday schools, youth groups, pastoral visiting, or leading Bible studies. It covers Old Testament, New Testament, Doctrine, Evangelism & Apologetics, Church History, and Ethics & Pastoral Care, with weekly seminars online. 33 students have taken at least one module of the course so far, and there are currently 19 students in four seminar groups, including two overseas students.

Our Supporter Church scheme launched during the year and is beginning to gain member churches. We also had a series of blogposts from George Crowder, our regional director for the North, on issues surrounding gospel partnership. A series of articles on the blog looked at issues surrounding Coronavirus and Communion (Marc Lloyd). Lee Gatiss produced a number of "corona-tide" prayers and collects which were widely shared on social media and used in a number of churches during the year.

An updated edition of our book *Building for the Gospel* by Julia Cameron was published in January. This "handbook for the visionary and the terrified" aims to equip those who are undertaking building projects in their churches. In June, we also published *Walk This Way: Guided Reflections on Christian Faith, Life, and Prayer for Individuals and Groups* by Ash Carter, Ros Clarke, and Lee Gatiss, which takes the reader through the Creed, the Lord's Prayer, and the Ten Commandments, as well as looking at the sacraments and the church. We also published some resources called *How to be a Christian on the PrayerMate app* and for distribution via email. This was a series of daily written devotionals, based on the Anglican Homilies. Each day there was a suggested Bible passage, followed by a devotional thought, a couple of questions to consider, and a prayer. Topics included: how to forgive, how to please God, how to love, how to have hope, how to disagree, and many more.

### *Lockdown!*

During the lockdowns imposed by the government to cope with the coronavirus pandemic, we published daily videos with Bible readings and prayers (both in March-May and also throughout Advent) as well as writing some specific prayers and collects for this time of sickness and worry. We also made available a series of video sermons by Lee Gatiss, Rod Thomas, Mark Wallace, Wallace Benn, and George Crowder based on the Anglican lectionary readings, for churches to download and use in their own online or Zoom offerings, for use in the summer, the autumn, and at Christmas (and the two weeks afterwards). Hard-pressed vicars and especially smaller churches were very grateful for this provision, which helped support and encourage their ministries during a very difficult time. Lee Gatiss also preached live or on video for various churches and groups around the country during the year, and Ros Clarke led many issues of the podcast which also addressed issues which arose during the pandemic (e.g. lockdown weddings, "the NHS religion", and home education). We also began a weekly online prayer meeting via Zoom which has been a great blessing in terms of fellowship and encouragement as well as prayer.

### *Staff*

As well as playing a full part in meetings of the Council, Finance Committee, CST, Directors' meetings, and the Global Anglican editorial board, the Director also represented the Society in other groups such as the Church of England Evangelical Council (CEEC) and Affinity. He is also a member of the Latimer Trust Theological Workgroup and the Bishop of Maidstone's advisory group, and lectured at Union School of Theology on church history as well as helping to launch a module there on Anglican Theology and Practice. During 2020 he was also a regular columnist with *Evangelicals Now* as well as publishing longer articles in *Evangelical Quarterly*, *TableTalk*, *Foundations*, and *The Global Anglican*, and a chapter in a Greek publication by the Hellenic Historical Evangelical Archive, called *Οικογενεία Leeves: The Leeves Family: Serving the Evangelical and the Catholic Church in Greece 1789-1905*.

Our work has been enhanced this year not just by Regional Director George Crowder in the North, who also contributed regularly to our website and to The Church of England Newspaper, but also by the addition of two new regional Directors, Tony Cannon and Chris Moore. Mark Wallace left his role as our Regional Director for the South in the autumn, to take up a new part-time position as Senior Chaplain to the Bishop of Maidstone, after much fruitful service with Church Society. We are immensely grateful for the time given by our Regional Directors in visiting and encouraging

# Church Society

## Trustees' and directors' report For the year ended 31 December 2020

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clergy and other individuals and churches, especially those going through difficult situations. They help to build our sense of being a "fellowship" contending together for the reform and renewal of the Church of England, as well as being a great source of wisdom and experience, developing our connections with people and churches on the ground throughout the whole country.

As can be seen from much of the report above, Ros Clarke, our Associate Director, has played an integral part of almost all our work over the last year, overseeing our online presence, the Priscilla Programme, The Global Anglican, and much more. She had an article in the very first Global Anglican, and has contributed in a huge number of ways to the ministry of the Society over the last twelve months, and was using Zoom well before the lockdowns made this fashionable!

During the year, Marion Mason joined us as Finance Assistant while Sophie Barker was on maternity leave, and David Meager continued to work diligently and cheerfully behind the scenes as our full time Administrator. We are extremely thankful for their gifts and service to us as a Society, which help us keep things running smoothly and effectively, alongside a wealth of volunteers who help in the office and on our committees. Guy Thorburn who helps put together our daily prayer diary does sterling work ensuring that everything we do is covered in prayer. For "unless the Lord builds the house, the builders labour in vain" (Psalm 127:1).

### Financial Review

The assets under the control of the Society fall into two broad categories: those used directly in facilitating the work of the Society itself, and those that are administered by the Society for the benefit of others (managed funds).

There are three funds which relate directly to the Society's own work. The General fund, which is unrestricted and the Beynon and Dean Wace Memorial funds which are permanent endowments.

Within unrestricted income, Donations and Legacies have fallen during 2020 due to the 2019 receipt of a significant legacy, mainly accounted for in 2018, but also partly in 2019. Total expenditure also decreased, partly due to a reduction in travel expenses and postponement of events due to the Covid-19 restrictions. Overall, the result was a £27,952 increase in unrestricted funds, of which £35,830 related to a gain on revaluation of fixed assets for the charity's own use.

Due to an improved property market compared to the end of 2019, the property portfolio valuation saw significant gains in the year along with gains also within the listed investments. As a result, restricted funds had a net gain of £104,380 on investments and the endowment funds noted a significant gain of £183,943. The unrestricted funds also gained £15,844.

At 31 December 2020 the total reserves under the control of the charity were £3,300,892. Of these reserves, £1,827,394 are held as endowment funds and £1,135,307 as restricted funds and are therefore not available for the general purposes of the charity. £3,389,004 of the total reserves are held in tangible fixed assets or fixed asset investments. The remaining general reserves of £338,191 are within the stated policy of sufficient reserves to cover operations for three years ahead.

### Managed Funds

Most of the managed funds are subsidiary charities for which the Council acts as Trustees (or sometimes as joint Trustees). In each case a trust deed or scheme sets the parameters within which the fund is to be used. A brief description of each can be found on page 21 of the accounts. Several funds consist solely of freehold properties including churches, houses or halls. Because many of these are long-standing funds, issues have from time to time arisen in relation thereto as to their proper application and the Society has been undertaking a gradual programme of clarifying the precise nature of each trust.

The Council has no authority to expend permanent endowment funds but is under an obligation to make attempts to expend the income from those trusts. Therefore, the endowment reserves are invested, where appropriate, in order to provide income to fulfil the relevant funds' purposes. The investment portfolio is regularly reviewed by the Finance Committee. Other funds contain capital that the Council can spend should they so choose. In most cases the decision has been made not to spend capital unless there is a pressing reason to do so. Wherever capital is spent the Council must act within the terms of the Trust. In many instances the trusts were established with very clear terms as to how they should be used. The Council is very aware of the need to honour this in making grants or payments today. The same principals are used for the income from the funds. Where the Restricted Funds have a significant level of assets these may be invested to provide income to be applied in increasing cash reserves for future use and cash reserves that are actively used each year in line with the relevant funds' purposes. Where the assets of a restricted fund are less significant these are monitored unless and until the cash reserves are sufficient to make the application thereof feasible.

The administration of these funds can be a significant burden, in particular where the trust deed has theological restrictions, which have to be assessed, and where properties are involved. The Council has taken steps to reduce this burden in particular by setting up two of the trusts as separate charities much as happened with Luckley Oakfield School forty years ago. There is a possibility of doing this for others. A list of the grants made from funds can be found on page 14. In line with common practice the Society charges an administration fee against managed funds which is the lesser of 1.5% on the balance of invested funds at the start of the year or 50% of the income of the fund.



# Church Society

## Trustees' and directors' report For the year ended 31 December 2020

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The Finance Committee continued to monitor the investment situation during the course of the year, with funds invested mainly with Ruffer LLP and CCLA Investment Management Limited. The Finance Committee keeps under review the balance between such investments and investment in property, seeking at all time to maintain a proper balance. Financial decisions are the responsibility of the Council but the Finance Committee, which includes experience in a range of financial areas, advises them in this.

### Statement on risks

The trustees confirm that they have given consideration to the major risks to which the charity is exposed and that systems have been designed and established to mitigate those risks.

The trustees consider that the principal risk facing the Society is a reduction in the income of the Society in the form of membership subscriptions, and donations and other giving. This is sought to be addressed by a regular review of the number of members and subscription levels and the level of donations, and by various initiatives designed to attract new members and to encourage giving to the Society, and the holding of significant reserves to cover deficiencies in any year.

Another significant risk is that of the loss of key personnel and staff. This is sought to be addressed by seeking to ensure that suitably committed and motivated personnel and staff are employed, that they are sufficiently supported in their roles, and that we have systems in place to recruit new staff in the event of departures or resignations.

### Statement of trustees'/directors' responsibilities

The trustees (who are also the directors of Church Society for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

## Church Society

### Trustees' and directors' report For the year ended 31 December 2020

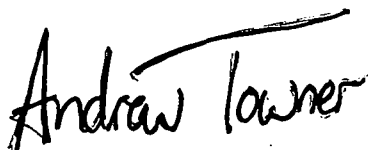
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#### Auditors

Jacob, Cavenagh and Skeet have expressed their willingness to continue as auditors and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small entities.

Approved by the Trustees  
and signed on their behalf by



Revd A P J Towner  
Trustee

12 June 2021

July

# **Independent auditor's report to the members on the audited financial statements of Church Society**

## **Opinion**

We have audited the financial statements of Church Society (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' 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 trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the trustees' report.

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

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

# **Independent auditor's report to the members on the audited financial statements of Church Society (continued)**

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## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to financial reporting and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team. We determined that the principal risks were related to management bias in accounting estimates, valuation of freehold and investment properties and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to:

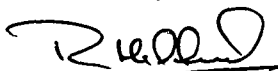
- challenging significant accounting estimates such as valuation of investment property,
- agreeing financial statement disclosures to underlying supporting documentation,
- evaluating the charity's internal controls
- reviewing Trustees and Finance meeting minutes,
- identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Haffenden MA(Cantab) FCA (Senior Statutory Auditor)**  
for and on behalf of Jacob Cavenagh & Skeet  
Statutory Auditor  
Chartered Accountants

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: 30 July 2021

**Church Society**  
**Statement of financial activities**  
**For the year ended 31 December 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total £
<b>Income from:</b>									
<i>Donations and legacies</i>		92,429	3,166	-	95,595	142,284	720	-	143,004
<i>Other trading activities:</i>									
Rent receivable		-	200	-	200	-	200	-	200
Fees and other income		6,230	-	-	6,230	13,695	3,675	-	17,370
<i>Investments</i>	2	35,233	77,282	-	112,515	29,275	76,557	-	105,832
<i>Charitable activities</i>									
Subscriptions, publications and conferences		18,002	-	-	18,002	22,117	3,552	-	25,669
<b>Total income</b>		<b>151,894</b>	<b>80,648</b>	<b>-</b>	<b>232,542</b>	<b>207,371</b>	<b>84,704</b>	<b>-</b>	<b>292,075</b>
<b>Expenditure on:</b>									
<i>Raising funds:</i>									
Fundraising and publicity		17	-	-	17	667	-	-	667
Rental property costs		5,303	15,482	-	20,785	6,390	17,641	-	24,031
<i>Charitable activities:</i>									
Grant funding of activities	3	-	30,086	-	30,086	750	27,920	19,026	47,696
Activities undertaken directly		169,977	1,413	-	171,390	171,142	7,451	-	178,593
Support costs		42,302	-	-	42,302	45,227	-	-	45,227
<b>Total expenditure</b>		<b>217,599</b>	<b>46,981</b>	<b>-</b>	<b>264,580</b>	<b>224,176</b>	<b>53,012</b>	<b>19,026</b>	<b>296,214</b>
<b>Net gains/(losses) on investments</b>		<b>15,844</b>	<b>104,380</b>	<b>183,943</b>	<b>304,167</b>	<b>(1,779)</b>	<b>(17,404)</b>	<b>36,433</b>	<b>17,250</b>
<b>Net (expenditure)/income</b>		<b>(49,661)</b>	<b>138,047</b>	<b>183,943</b>	<b>272,129</b>	<b>(18,584)</b>	<b>14,288</b>	<b>17,407</b>	<b>13,111</b>
Gross transfers between funds	4	41,983	(41,983)	-	-	50,223	(50,223)	-	-
Gains/(losses) on revaluation of fixed assets for charity's own use		35,830	-	29,363	65,193	(42,763)	-	(34,521)	(7,284)
<b>Net movement in funds</b>		<b>27,952</b>	<b>96,064</b>	<b>213,306</b>	<b>337,322</b>	<b>(11,124)</b>	<b>(35,935)</b>	<b>(17,114)</b>	<b>(64,173)</b>
<b>Reconciliation of funds</b>									
Balance at 1 January 2020		310,239	1,039,243	1,614,088	2,963,570	321,363	1,075,178	1,631,202	3,027,743
<b>Balances carried forward at 31 December 2020</b>		<b>338,191</b>	<b>1,135,307</b>	<b>1,827,394</b>	<b>3,300,892</b>	<b>310,239</b>	<b>1,039,243</b>	<b>1,614,088</b>	<b>2,963,570</b>

The notes on pages 12 to 24 form part of these financial statements.

All operations are continuing operations.

**Church Society**  
**Summary Income and expenditure account**  
**For the year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income	120,027	186,243
Gains/(losses) on investments	304,167	17,250
Interest and investment income	112,515	105,832
<b>Gross income in the reporting period</b>	<b>536,709</b>	<b>309,325</b>
Expenditure	263,520	293,633
Depreciation	1,060	2,581
<b>Total expenditure in the reporting period</b>	<b>264,580</b>	<b>296,214</b>
Net (expenditure)/income for the year	<b>272,129</b>	<b>13,111</b>

**Statement of Comprehensive income**  
**For the year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income for the year	272,129	13,111
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	65,193	(77,284)
<b>Total comprehensive income for the year</b>	<b>337,322</b>	<b>(64,173)</b>

**Church Society**  
**Balance Sheet**  
**As at 31 December 2020**

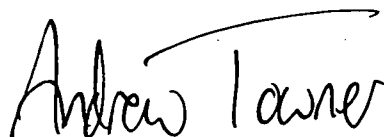
	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		703,689		638,221
Investments	9		<u>2,685,315</u>		<u>2,351,147</u>
			3,389,004		2,989,368
<b>Current assets</b>					
Stocks	10	9,132		7,616	
Debtors	11	13,381		23,173	
Cash at bank and in hand		<u>352,749</u>		<u>412,450</u>	
		375,262		443,239	
<b>Creditors: amounts falling due within one year</b>	12	<u>(37,804)</u>		<u>(33,101)</u>	
<b>Net current assets</b>			337,458		410,138
<b>Total assets less current liabilities</b>			<u>3,726,462</u>		<u>3,399,506</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(421,570)		(429,936)
<b>Provision for liabilities</b>	22		(4,000)		(6,000)
<b>Net Assets</b>			<u><u>3,300,892</u></u>		<u><u>2,963,570</u></u>
<b>Funds</b>					
Endowment funds	14		1,827,394		1,614,088
Restricted funds	15		1,135,307		1,039,243
Unrestricted funds	16		338,191		310,239
			<u><u>3,300,892</u></u>		<u><u>2,963,570</u></u>

Included in the fund balances above are revaluation reserves of £409,312 in Endowment funds, £233,923 in Restricted funds and £51,674 in Unrestricted Funds.

The notes on pages 12 to 24 form part of these financial statements.

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

The financial statements were approved by the Board of Trustees on 12<sup>th</sup> July 2021 and were signed on its behalf by:



Revd A P J Towner  
Chairman  
Company No. 213142

# Church Society

## Notes to the financial statements For the year ended 31 December 2020

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### 1. Accounting policies

The following accounting policies are considered material in relation to the charitable company's financial statements.

#### 1.1 Accounting convention

The financial statements have been prepared under the Companies Act 2006 and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments. The accounts are all prepared in sterling, rounded to the nearest pound.

SORP Update Bulletin 1 has been applied in regards to the exemption of a cash flow statement.

Church Society meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee, incorporated in England with registered office at Hille Business Estate, 132 St Albans Road, Watford, WD24 4AE.

The trustees consider that there are no material uncertainties about the Society's ability to continue as a going concern.

#### 1.2 Classification of funds

Permanent endowments represent those funds where the capital is required to be retained but the income from those funds can be spent for the benefit of Church Society or others subject in certain cases to specific restrictions contained in the original endowment.

Restricted funds represent the accumulated income of managed funds whose use is restricted to specific purposes according to the terms on which the funds were received.

General fund represents unrestricted income which may be spent generally for furthering the religious and charitable work of Church Society.

#### 1.3 Depreciation of tangible assets

Tangible assets are recorded at cost less depreciation and any impairment.

Depreciation is provided on all tangible assets, except freehold property, at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment: 33% on a straight line basis

No depreciation is provided on freehold properties. It is the policy of the Society to maintain these at least to their current standard and to charge the Statement of Financial Activities the cost of maintenance as incurred. In the opinion of the Council, the depreciation charge is not material because the residual value is not materially different from the carrying amount of the asset. The useful economic lives and residual values are reviewed at the end of each year.

#### 1.4 Investments

Investments are included at fair value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and market value at the start of the year, or subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market value during the year and are charged or credited to the statement of financial activities based on the market value at the year end.



# Church Society

## Notes to the financial statements For the year ended 31 December 2020

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### 1.5 Investment Properties

Investment properties are included at the trustees estimate of fair value at the balance sheet date.

Realised gains and losses on investment properties are calculated as the difference between sales proceeds and market value at the start of the year, or subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market value during the year and are charged or credited to the statement of financial activities based on the market value at the year end.

### 1.6 Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or effective stock where appropriate.

### 1.7 Debtors

Prepayments are included at the amount prepaid and debtors are included at the settlement amount due.

### 1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

### 1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### 1.11 Income

Donations and legacies are accounted for once the charity has entitlement to the income, this is when it is probable the income will be received and the amount of income receivable can be reliably measured.

#### **Investment income**

Dividends, interest and rental income are recognised gross when the charity has entitlement to the income.

#### **Charitable activities and other trading activities**

Income from these sources is recognised when the charity has entitlement to the income. If subscriptions are received in advance of the period to which they relate they are deferred to the next period.

### 1.12 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

#### **Raising funds**

These comprise the costs associated with attracting voluntary income and maintaining investment properties.

#### **Charitable expenditure**

Charitable expenditure comprises those costs incurred by the Society in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them. They also include governance costs which comprise costs

# Church Society

## Notes to the financial statements For the year ended 31 December 2020

associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

### **Grants**

Grants are included at the amounts paid from the funds during the year.

### **Allocation of costs**

Wherever applicable, costs associated with relevant training are charged to the Amalgamated Ordination and Training Fund. Likewise, wherever applicable, costs associated with patronage work are charged to the Patronage Fund.

### **1.13 Intangible income**

The contribution to the administration of Church Society supplied in the form of voluntary services is acknowledged with gratitude but not recognised in these financial statements.

### **1.14 Pension costs**

Defined benefit scheme – This is a multi-employer scheme and the pension costs charged in the financial statements represent the contribution payable by the charity in the year.

Defined contribution scheme – The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

### **1.15 Taxation**

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

## **2. Investment Income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Investment properties	81,180	76,039
Common investment funds	31,215	29,069
Cash deposits	<u>120</u>	<u>724</u>
	<b><u>112,515</u></b>	<b><u>105,832</u></b>

## **3. Grants Paid**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>General Funds</b>		
Grant to Church of England Evangelical Council	<u>0</u>	<u>750</u>
<b>Amalgamated Ordination and Training Fund</b>		
Scholarships	5,000	2,750
Book grants	<u>500</u>	<u>500</u>
	<b><u>5,500</u></b>	<b><u>3,250</u></b>
<b>Gloucester Mariners Housing Fund</b>		
Contribution to Gloucester Mariners Church	<u>0</u>	<u>20,000</u>
<b>Maidstone St Faith Parish Room</b>		
Contribution to St Faith's, Maidstone	<u>250</u>	<u>250</u>
<b>Paddock Wood Parochial Hall Trust</b>		
Contribution to Paddock Wood Church	<u>24,336</u>	<u>23,446</u>
	<b><u>30,086</u></b>	<b><u>47,696</u></b>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**4 Transfer of restricted funds**

During the year Church Society applies a management fee policy to the funds which are generating a sufficient level of income. This contributes towards the administration costs of the funds. In addition, where Church Society is carrying out work along the same purpose of the funds a transfer may be approved by the Finance Committee.

**5 Operating leases**

The charity is committed to the following payments under operating leases:

	2020 £	2019 £
Not later than one year	14,170	4,374
Later than one year and not later than five years	18,791	-
	<u>32,961</u>	<u>4,374</u>
Lease payments charged to expenditure in the year	<u>14,897</u>	<u>13,020</u>

**6 Charitable activities**

	Staff costs £	Depreciation £	Other costs £	Total 2020 £	Total 2019 £
Grant funding of activities	-	-	30,086	30,086	47,696
Activities undertaken directly	69,154	1,060	101,176	171,390	178,593
Support costs	31,458	-	10,844	42,302	45,227
	<u>100,612</u>	<u>1,060</u>	<u>142,106</u>	<u>243,778</u>	<u>271,516</u>

**Other costs - Activities undertaken directly**

	2020 £	2019 £
Establishment and property	31,368	24,958
Publications	24,371	31,815
Meetings and conferences	3,750	10,346
Professional and management fees	-	-
Other staff costs	37,408	42,223
Miscellaneous	4,279	6,882
	<u>101,176</u>	<u>116,224</u>

**Other costs - Support costs**

	2020 £	2019 £
Professional and management fees	3,864	6,942
Governance costs	-	-
Meetings and conferences	2,188	4,050
Auditors' remuneration – audit services	4,792	4,574
	<u>10,844</u>	<u>15,566</u>

**Staff costs**

	2020 £	2019 £
Wages and salaries	86,566	85,615
Social security costs	3,094	3,954
Pension costs (see note 19)	10,952	(120)
	<u>100,612</u>	<u>89,449</u>

The average number of persons employed by the charitable company during the year was 4.5 (2019: 5). No employee earned more than £60,000.

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**7 Trustee remuneration and related party transactions**

Council Members receive no remuneration for their services. Their travelling expenses are reimbursed in respect of expenses incurred on either Church Society or Church Society Trust business. In the year ended 31 December 2020, 5 Council Members claimed reimbursement of travelling expenses totalling £772 (2019: £3,028). The total value of donations without conditions received from trustees was £1,660 (2019: £3,966).

The charitable company does not have indemnity insurance to protect it from loss arising from neglect or defaults of its trustees, employees or agents or to indemnify the trustees or officers against the consequences of any neglect or default on their part.

The total employee benefits of the key management personnel of the charity were £65,378 (2019: £66,704).

**8 Tangible fixed assets**

	<i>Freehold property – held for charitable purposes</i>	<i>Fixtures fittings and equipment</i>	<i>Total</i>
	£	£	£
<b>Cost or valuation</b>			
As at 1 January 2020	637,198	12,851	650,049
Additions	-	1,335	1,335
Disposals	-	-	-
Revaluation	65,193	-	65,193
As at 31 December 2020	702,391	14,186	716,577
<b>depreciation</b>			
As at 1 January 2020	-	11,828	11,828
Provision for the year	-	1,060	1,060
Eliminated on disposals	-	-	-
As at 31 December 2020	-	12,888	12,888
<b>Net book value</b>			
As at 31 December 2020	702,391	1,298	703,689
As at 31 December 2019	637,198	1,023	638,221

The following properties have all been shown in the balance sheet at a notional amount of £1,000. In each case, the property is an asset of an endowment fund and its sale is subject to significant restrictions or is not permitted under any circumstances.

**Not inalienable – expendable endowment**

Lightbowne Evangelical Church  
 Gloucester Mariners Hall  
 St Andrews, Montserrat  
 Wigan St Catharine, Recreation Ground

**Not inalienable – permanent endowment**

Gloucester Mariners

**Inalienable – permanent endowment**

Penrhyn Hall, Walthamstow  
 Old Hill Hall

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**9 Fixed asset investments**

	<i>Investment Properties</i>	<i>Listed Investments</i>	<i>Total</i>
	£	£	£
<b>Cost or valuation</b>			
Valuation at 1 January 2020	1,244,802	1,106,345	2,351,147
Additions	-	30,000	30,000
Disposals	-	-	-
Revaluation	184,807	119,361	304,168
Market valuation at 31 December 2020	<u>1,429,609</u>	<u>1,255,706</u>	<u>2,685,315</u>
<b>Historic cost</b>	<u>1,007,868</u>	<u>1,020,569</u>	<u>2,028,437</u>

Commercial Road, Paddock Wood had a formal valuation by Ibbett Mosely Chartered Surveyors on 31 December 2018 for £25,000.

The remaining investment properties all have a value based on a professional valuation obtained through letting agents as at 31 December 2020.

Listed investments are investments placed with Ruffer LLP and CCLA Investment Management Limited.

<b>10 Stocks</b>	<b>2020</b>	<b>2019</b>
	£	£
Publications for resale	<u>9,132</u>	<u>7,616</u>
<b>11 Debtors</b>	<b>2020</b>	<b>2019</b>
	£	£
Prepayments	8,281	5,812
Other debtors	<u>5,100</u>	<u>17,361</u>
	<u>13,381</u>	<u>23,173</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Other creditors	4,265	2,204
Deferred income	5,043	7,802
Accruals	20,024	15,026
Mortgage liability	<u>8,472</u>	<u>8,069</u>
	<u>37,804</u>	<u>33,101</u>
<b>13 Creditors: amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Mortgage liability		
Due within 1 - 2 years	8,839	8,472
Due within 2 - 5 years	28,831	27,633
Due in more than 5 years	<u>383,900</u>	<u>393,831</u>
	<u>421,570</u>	<u>429,936</u>

The mortgage liability is secured by a fixed and floating charge over Cranmer House, which had a carrying value of £800,000 at the balance sheet date. Interest on the bank loan is payable at 4.25%. The mortgage is repayable over the period until February 2049.

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**14 Movement on Endowment funds**

	<i>Movement in funds</i>					<i>Movement in funds</i>				
	<i>Balance 1 January 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>	<i>Balance 31 December 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>
	£	£	£	£	£	£	£	£	£	£
<b>Permanent endowment funds</b>										
E A Beynon Fund	151,357	-	-	-	(3,153)	148,204	-	-	-	26,934
Birchington Convalescent Benefit Fund	61,572	-	-	-	4,080	65,652	-	-	-	4,960
Brighton Emmanuel	266,943	-	-	-	(8,362)	258,581	-	-	-	54,191
Dean Wace Memorial	836,860	-	-	-	10,936	847,796	-	-	-	86,020
Gloucester Mariners Church	1,000	-	-	-	-	1,000	-	-	-	-
Leamington Spa, Christchurch	58,797	-	-	-	1,935	60,732	-	-	-	7,324
Maidstone, St Faith Parish Room	179,711	-	-	-	(4,405)	175,306	-	-	-	33,585
Old Hill Hall	1,000	-	-	-	-	1,000	-	-	-	-
Walthamstow, Penryn Hall Trust	1,000	-	-	-	-	1,000	-	-	-	-
	<u>1,558,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,031</u>	<u>1,559,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,014</u>
<b>Expendable endowment funds</b>										
Lightbowne Evangelical Church, Manchester	1,000	-	-	-	-	1,000	-	-	-	-
Gloucester Mariners Hall	1,000	-	-	-	-	1,000	-	-	-	-
St Andrews, Montserrat	1,000	-	-	-	-	1,000	-	-	-	-
Düsseldorf Chaplaincy	2,290	-	-	-	(39)	2,251	-	-	-	292
Gloucester Mariners Residence	41,672	-	(19,026)	-	920	23,566	-	-	-	-
Paddock Wood Parochial Church Hall Trust	25,000	-	-	-	-	25,000	-	-	-	-
Wigan Recreation Ground	1,000	-	-	-	-	1,000	-	-	-	-
	<u>72,962</u>	<u>-</u>	<u>(19,026)</u>	<u>-</u>	<u>881</u>	<u>54,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292</u>
	<u>1,631,202</u>	<u>-</u>	<u>(19,026)</u>	<u>-</u>	<u>1,912</u>	<u>1,614,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,306</u>
										<u>1,827,394</u>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**15 Movement on Restricted funds**

	Movement in funds					Movement in funds					Balance 31 December 2020 £
	Balance 1 January 2019 £	Income £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	Balance 31 December 2019 £	Income £	Expenditure £	Transfers £	Gains/ (losses) on revaluation £	
Amalg. Ord. and Training Fund	827,875	44,137	(15,992)	(30,420)	(34,042)	791,558	51,051	(15,756)	(27,159)	88,224	887,918
Birchington Convalescent Fund	(110)	1,058	-	(754)	-	194	1,885	-	(441)	-	1,638
Brighton Emmanuel Trust	10,839	13,744	(3,843)	(7,012)	-	13,728	13,786	(4,171)	(6,232)	-	17,111
Düsseldorf	460	-	-	(14)	-	446	69	-	-	-	515
Gloucester, Mariners Hall	228	-	-	-	-	228	-	-	-	-	228
Gloucester Mariners Residence Fund	971	371	(974)	(498)	-	(130)	21	(21)	-	-	(130)
JAEC	-	3,552	(6,332)	2,780	-	-	-	-	-	-	-
Learnington Spa, Christchurch Fund	1,005	949	-	(684)	-	1,270	1,939	-	(396)	-	2,813
Maidstone, St Faith Parish Room Fund	5,873	9,161	(2,425)	(5,701)	-	6,908	9,107	(2,637)	(5,191)	-	8,187
Paddock Wood Parochial Church Hall Trust Fund	192,388	8,792	(23,446)	(3,127)	14,439	187,046	2,285	(24,383)	(2,338)	14,288	176,898
Ryde Ecclesiastical Charity	25,013	224	-	(240)	534	25,531	175	(13)	(93)	1,139	26,739
The Priscilla Fund	-	4,395	-	(4,395)	-	-	-	-	-	-	-
Walthamstow, Penrhyn Hall Trust fund	6,296	190	-	(93)	987	7,380	196	-	(79)	421	7,918
Walthamstow, St John Fund	4,340	131	-	(65)	678	5,084	134	-	(54)	308	5,472
	<b>1,075,178</b>	<b>84,704</b>	<b>(53,012)</b>	<b>(50,223)</b>	<b>(17,404)</b>	<b>1,039,243</b>	<b>80,648</b>	<b>(46,981)</b>	<b>(41,983)</b>	<b>104,380</b>	<b>1,135,307</b>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**16 Movement on unrestricted funds**

	Movement in funds					Balance 31 December 2020
	Balance 1 January 2020	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	
	£	£	£	£	£	£
General Fund	289,008	131,444	(214,666)	41,983	51,674	299,443
Dean Wace Income	21,231	20,450	(2,933)	-	-	38,748
	<u>310,239</u>	<u>151,894</u>	<u>(217,599)</u>	<u>41,983</u>	<u>51,674</u>	<u>338,191</u>

	Movement in funds					Balance 31 December 2019
	Balance 1 January 2019	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	
	£	£	£	£	£	£
General Fund	313,665	191,074	(221,412)	50,223	(44,542)	289,008
Dean Wace Income	7,698	16,297	(2,764)	-	-	21,231
	<u>321,363</u>	<u>207,371</u>	<u>(224,176)</u>	<u>50,223</u>	<u>(44,542)</u>	<u>310,239</u>

**17 Net assets held by funds**

	Balance 31 December 2020			Total funds
	Unrestricted funds	Restricted funds	Endowment funds	
	£	£	£	£
Tangible fixed assets	383,480	-	320,209	703,689
Fixed asset investments	172,080	1,033,628	1,479,607	2,685,315
Net current assets	208,201	101,679	27,578	337,458
Long Term Liabilities	(421,570)	-	-	(421,570)
Provision for liabilities	(4,000)	-	-	(4,000)
	<u>338,191</u>	<u>1,135,307</u>	<u>1,827,394</u>	<u>3,300,892</u>

	Balance 31 December 2019			Total funds
	Unrestricted funds	Restricted funds	Endowment funds	
	£	£	£	£
Tangible fixed assets	347,375	-	290,846	638,221
Fixed asset investments	126,236	929,247	1,295,664	2,351,147
Net current assets	272,564	109,996	27,578	410,138
Long Term Liabilities	(429,936)	-	-	(429,936)
Provision for liabilities	(6,000)	-	-	(6,000)
	<u>310,239</u>	<u>1,039,243</u>	<u>1,614,088</u>	<u>2,963,570</u>



# Church Society

## Notes to the financial statements For the year ended 31 December 2020

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### 18. Purpose of funds

Amalgamated Ordination and Training Fund	To assist with and promote the educational and training needs of those persons who are, or are training to become, ministers in the established Church of England who subscribe to the conservative, evangelical tradition.
E A Beynon Fund	For the general purposes of the National Church League which in 1950 merged with Church Association to become Church Society.
Birchington Convalescent Benefit Fund	To make grants to enable poor children and in default of poor children other poor persons to obtain convalescent treatment after illness.
Brighton, Emmanuel Church	To maintain Christian and missionary work on Scriptural Protestant and Evangelical lines so far as practicable in the Brighton and Hove area and subject thereto elsewhere.
Dean Wace Memorial Fund	To provide land and buildings for Church Society and income for the Society's general purposes.
Düsseldorf Chaplaincy	To pay for the expenses of Christ Church, Düsseldorf in relation to both the upkeep of buildings and the employment of staff.
Gloucester Mariners Residence	To provide a residence for the chaplain of the Mariner's Chapel or to provide for the general work of the Mariners Chapel.
JAEC fund	To provide for the holding of the annual Junior Anglican Evangelical Conference that the Society took over responsibility for organising in 2014. This fund is now accounted for within the unrestricted funds from 1 <sup>st</sup> January 2020.
Leamington Spa, Christ Church	For the augmentation of the stipend of the Incumbent of St Mark's, Leamington Spa, so long as the doctrine and worship in the parish of St Mark's are evangelical in character.
Maidstone, St Faith Parish Room	Subject to the appointment of a vicar within 10 years of the sale of the Parish Room and to such vicar maintaining and carrying on a protestant reformed tradition, to provide funds for the Church and otherwise for the general purposes of Church Society.
Paddock Wood Parochial Church Hall Trust	To provide funds for evangelical purposes in or in connection with the parish of St. Andrew's Paddock Wood.
Priscilla Fund	Established in 2018 to fund a new training course for women in local Bible-teaching ministries. This fund is now accounted for within the unrestricted funds from 1 <sup>st</sup> January 2020.
Ryde Ecclesiastical Charity	To further the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Ryde.
Walthamstow, Penrhyn Hall Trust	To permit the Penrhyn Hall to be used under the direction and control of the vicar of St. John's Walthamstow so long as it is used consistently with evangelical principles.
Walthamstow, St John	To support any work within the parish of St. John's Walthamstow, either being part of church activities or in support of charities operating within the parish.

# Church Society

## Notes to the financial statements For the year ended 31 December 2020

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Freeholds held on behalf of Churches or other charities.

Lightbowne Evangelical Church, Manchester, Gloucester Mariners Hall, Hollabury Mission Hall Poughill, Cornwall, St Andrews, Montserrat, Old Hill Hall, St Catharine's Recreation Ground, Wigan.

### 19. Pension Schemes

Church Society participates in two pension schemes administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of Church Society and other participating employers.

#### (a) The Church Workers Pension Fund (CWPF)

Church Society participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

#### Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2020: £2,010, 2019: £2,059).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

#### (b) The Church of England Funded Pension Scheme (CEFPS)

Church Society participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

# Church Society

## Notes to the financial statements For the year ended 31 December 2020

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £6,760, 2019: £6,567), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £7,760 for 2020 (2019: credit £3,433).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter<sup>n</sup> of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	6,000	19,000
Deficit contribution paid	(3,000)	(3,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	1,000	(10,000)
Balance sheet liability at 31 December	4,000	6,000

\* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

# Church Society

## Notes to the financial statements For the year ended 31 December 2020

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Church Society could become responsible for paying a share of that Responsible Body's pension liabilities.

### (c) NEST Pension Scheme

Church Society participates in a defined contribution scheme run by NEST. The pensions costs charged to the SoFA in the year are £1,377 (2019: £1,254).

### 20. Capital commitments and contingent liabilities

The charitable company had no material capital commitments or contingent liabilities at 31 December 2020. (2019: £nil).

### 21. Luckley-Oakfield School Trust

The Council of Church Society appoints the Trustees of the Luckley-Oakfield School Trust, which owns a school near Wokingham. In the event of the Trust being wound up the assets would revert to Church Society for educational purposes.

### 22. Ryde, St James

The Council of Church Society appoints three of the five trustees of the Ryde, St James Trust. The Trust owns the Church and a house in Ryde, Isle of Wight, which are held by Church Society on their behalf.

### 23. Hollabury Mission Hall Trust

The Council of Church Society appoints three of the five trustees of the Hollabury Mission Hall Trust. The Trust owns the Hollabury Mission Hall, Poughill, Bude, which is held by Church Society on their behalf.

### 24. Black Chapel

The charity is now the sole trustee of Black Chapel (charity number 262667). Consolidated accounts have not been prepared as the combined income of the two charities is below the threshold at which group accounts are required. At the end of the financial year Black Chapel had reserves of £683,820. Its income was £18,903 and expenditure £7,827 resulting in a surplus of £11,076.