

Report and Financial Statements

For the year ended 31 December 2021

Church Society
(A company limited by guarantee)

Company No 213142
Charity Registration No 249574

Church Society

Financial statements for the year ended 31 December 2021

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Council members

The Revd N T Atkinson
The Revd Dr M E Burkill
The Revd Dr A V Cinnamond (until 1st September 2021)
The Revd P T Darlington
The Revd M E Davy (from 1st September 2021)
The Revd Mr J Eggertsen
The Revd R W Farr (until 1st September 2021)
The Revd M Hayden (from 1st September 2021)
The Revd Dr J Hughes
Mrs R C Hunt
The Revd C R H Kilgour
Mr N Lobo (until 30th March 2021)
The Revd Dr R S Munro
Mrs A Robbie
The Revd A P J Towner (Chairman)
The Revd Dr J D Ward
The Revd R A R Weekes (until 30th March 2021)
The Revd Dr 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

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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

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Trustees' and directors' report For the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021 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 126 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 supports accommodation for staff.

Structure, governance and management

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 Council members can be co-opted as required and in 2021, there was one co-opted member 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 staff is reviewed annually and normally increased in accordance with average earnings. Salaries were kept at their current levels throughout the year. The Church Society will continue to benchmark staff benefits against staff performing similar roles in similar charities.

The Global Anglican 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 and a part-time theological consultant, 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 foundation of the Church of England, as the established religion of the United Kingdom. This included

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Trustees' and directors' report For the year ended 31 December 2021

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.

Conferences

Our annual Junior Anglican Evangelical Conference (JAEC) was held at Kings Park Conference Centre in Northampton from 31st August to 2nd September 2021, with the title *Living in Mercy and Grace: Life and Ministry in Hard Times*. Thirty-six of us gathered to hear keynote speakers Chris Moore, Martin Davy, Lee Gatiss, Kirsten Birkett, Helen Thorne, and Bishop James Newcome speak on patience, humility, perseverance, gentleness, and leadership. There were also a range of seminars on Ministry and Mental Health (Helen Thorne), Grace in Evangelism (John McGinley), Tenderness in Death (Tony Cannon), Care for a Hurting Church (Jason Ward), Serving in the Church of England (Andy Greenhough), and Pastoring as an Incumbent (Martin Davy). The work of the conference also continues daily in an online network of nearly 400 members via Facebook, and there are occasional webinars (such as one with Kate Wharton on Singleness in Ministry). The Church Society AGM was held on 1st September during JAEC for the first time.

Our 2021 Fellowship of Word and Spirit conference was also held at Kings Park this year, from 11th to 13th October. Thirty one people gathered under the banner of *Refresh: Renewing our Passion for Godliness*. There were talks on Ephesians (Mark Lucas), the Keswick Convention and its holiness movement (Philip Sowerbutts), Godliness in the Body (Martin Davie), Godliness in the Online World (Ros Clarke), and a panel discussion on Godliness in the Church of England. It was good to be able to meet again in person for these conferences (despite remaining Covid restrictions keeping some away) after having been online-only during 2021.

The Regional Directors (George Crowder, Chris Moore, and Tony Cannon) also organised and spoke at a number of webinars on the ministry of church revitalisation. They have established contact with over 100 ministers working in often difficult turnaround ministries across the country, and built up a network for support and encouragement which we hope to continue resourcing over the next few years.

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. "The Engine of the English Reformation" by Lee Gatiss, or "Understanding Marriage", and "Understanding Sexuality" by Kirsten Birkett), 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 such as church schools, General Synod, Living in Love and Faith, complementarian women in ministry, and racism discussed by a wide range of guests. We also have daily prayer tweets and Facebook posts (also available on PrayerMate), 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 benefits of long term ministry, revitalisation, protecting the flock from wolves, and growing the church (in light of a survey we ran on the benefits or otherwise of uniting benefices, and of non-parish projects). We continued to engage with *Living in Love and Faith* (on which we now have a large number of audio, visual, and written resources to assist churches and individuals engage on the topics covered in it). We also made available online book reviews, a number of "summer sermons" on Ephesians to help parishes without much ministry cover in July-August, and a series of short talks and discussion questions called *You Are Not Your Own* (on meaning, identity, sin, obedience, bodies, sex, and marriage). We also published a response to the 31:8 lessons learned review into Emmanuel Wimbledon, and indeed worked carefully through the wider recommendations of that report in our weekly staff meetings.

We continue to publish our quarterly members magazine, *Crossway*, edited by Ros Clarke. During the year, *Crossway* looked at issues as diverse as class, racism, scandals in the church, ordination selection, singleness and sexuality, depression, violence against women, gender transition, and the Anglican Homilies. We also continued to publish *The Global Anglican theology journal* (with Archbishop Peter Jensen as Editor). 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 those 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 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 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. This year's *Global Anglican Essay Prize*, which particularly seeks to encourage younger scholars, saw entries from several countries around the Anglican Communion, with essays from Chile, Kenya, and the UK especially commended.

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Trustees' and directors' report For the year ended 31 December 2021

Our Associate Director, Dr Ros Clarke 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. 46 students have taken at least one module of the course so far, and there are currently 9 students in two seminar groups, including two overseas students.

Dr Clarke also began the Co-Workers network for complementarian women in Anglican ministry in the UK, under the auspices of the Bishop of Maidstone. The network will offer online groups, opportunities for mentoring, and chances to share experiences and information about training and employment opportunities for women. There will also be the opportunity to join occasional discussions and online seminars on relevant subjects. As complementarians, we believe that men and women are intended by God to serve alongside one another in ministry, complementing each other with their different gifts and opportunities. Together, men and women form the full complement of God's people. Without the ministry of gifted, trained and equipped women, the whole church is the poorer. However, many women serving in complementarian churches struggle with lack of appropriate training and support. It is not always easy to find like-minded women in similar situations who can offer wisdom and experience. For women in the early stages of ministry it can be particularly hard to find suitable opportunities for training and employment. So the goal of this new network is to help each woman find the information, resources, and peer group support that will help her ministry flourish and the whole church to grow.

In February we published *The Blessed Life: Reflections on the Beatitudes, the Fruit of the Spirit, the Seven Deadly Sins, and Jesus's Words from the Cross*. This devotional book features contributions from a great cast of Anglican men and women from five continents — those who minister as archbishops, bishops, parish clergy, theological educators, college or prison chaplains, and in various other ministries as gifted lay people. With Bible passages, prayers, and questions for reflection in each short chapter, it would make an ideal Lent book or devotional guide at any time of year. Throughout Lent, Director Lee Gatiss preached through his updated-English version of the 1547 Anglican Homilies on our website and YouTube channel. He then edited these into a new book, which was published in September in hardback, paperback, and digital ebook formats as *The First Book of Homilies: The Church of England's Official Sermons in Modern English*.

Partnerships

We are immensely grateful for the time given by our Regional Directors in visiting and encouraging 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.

In addition, Lee Gatiss spoke at events for Oak Hill Theological College, the Church of England Evangelical Council's annual meeting, diocesan and regional groups in Ely, Sussex, Chelmsford, Guildford, St Albans, Chelmsford, Lichfield, and the North West, as well as local churches in Little Heath, Frogmore, Felsted, Wolverhampton, Hailsham and elsewhere, not to mention Pembroke College, Cambridge, the Bishop Jewel Society in Oxford, the Union School of Theology Research Conference, and various online interviews. He represented the Society at Affinity, Lausanne Europe, and other gatherings, and attended conferences such as the Church as a Refuge conference with Diane Langberg and others.

During the year, Sophie Barker again took up the reins as Finance Assistant, and we were very grateful to Marion Mason who covered for her maternity leave. 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 (with technology, mailings etc) and on our various committees (especially Council, Finance Committee, and the Global Anglican Editorial Board). We continued throughout the year to hold a regular online prayer meeting, which is well attended by both clergy and lay members of the Society. 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 increased during 2021 due to a variety of factors, including an increase in the membership rates at the beginning of the year and a legacy. Total expenditure increased modestly compared to 2020 as an ease in Covid restrictions allowed travel and events during the latter half of the year. Overall, the result was a £95,270 increase in unrestricted funds, of which £23,886 related to a gain on revaluation of fixed assets for the charity's own use.

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Trustees' and directors' report For the year ended 31 December 2021

Both property and listed investments have performed well during the year. As a result, restricted funds had a net gain of £49,959 on investments and the endowment funds noted another significant gain of £102,732. The unrestricted funds also gained £17,669.

At 31 December 2021 the total reserves under the control of the charity were £3,545,098. Of these reserves, £1,949,702 are held as endowment funds and £1,161,935 as restricted funds and are therefore not available for the general purposes of the charity. £3,603,775 of the total reserves are held in tangible fixed assets or fixed asset investments. The remaining general reserves of £433,461 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 19 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 13.

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.

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 Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

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Trustees' and directors' report For the year ended 31 December 2021

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 the Charities SORP;
- 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

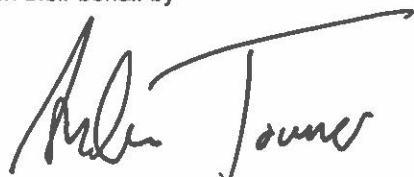
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit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

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

24 May 2022

Church Society

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 2021 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 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Church Society

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

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.

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

Church Society

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

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 posting inappropriate journal entries and valuation of freehold and investment properties.

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

- identifying and testing journal entries
- reviewing Trustees and Finance meeting minutes
- evaluating the charity's internal controls
- challenging significant accounting estimates such as valuation of investment property

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: 9 June 2022

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Statement of financial activities
For the year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £
Income from:									
Donations and legacies		142,280	765	-	143,045	92,428	3,166	-	95,595
Other trading activities:									
Rent receivable		-	200	-	200	-	200	-	200
Fees and other income		23,812	-	-	23,812	6,230	-	-	6,230
Investments	2	35,525	75,034	-	110,559	35,233	77,282	-	112,515
Charitable activities									
Subscriptions, publications and conferences		23,416	-	-	23,416	18,002	-	-	18,002
Total income		225,033	75,999	-	301,032	151,894	80,648	-	232,542
Expenditure on:									
Raising funds:									
Fundraising and publicity		-	-	-	-	17	-	-	17
Rental property costs		5,866	15,671	-	21,537	5,303	15,482	-	20,785
Charitable activities:									
Grant funding of activities	3	-	27,826	-	27,826	-	30,086	-	30,086
Activities undertaken directly		175,882	1,120	-	177,002	168,977	1,413	-	171,390
Support costs		44,283	-	-	44,283	42,302	-	-	42,302
Total expenditure	6	226,031	44,617	-	270,648	217,599	46,981	-	284,580
Net gains/(losses) on investments		17,669	49,959	102,732	170,360	15,844	104,380	183,943	304,167
Net income/(expenditure)		16,671	81,341	102,732	200,744	(49,861)	138,047	183,943	272,129
Gross transfers between funds	4	54,713	(54,713)	-	-	41,983	(41,983)	-	-
Gains/(losses) on revaluation of fixed assets for charity's own use		23,886	-	19,576	43,462	35,830	-	29,363	65,193
Net movement in funds		95,270	26,628	122,308	244,206	27,952	96,064	213,306	337,322
Reconciliation of funds									
Balance at 1 January 2021		338,191	1,135,307	1,827,394	3,300,892	310,239	1,039,243	1,614,088	2,963,570
Balance carried forward at 31 December 2021		433,461	1,161,935	1,949,702	3,545,098	338,191	1,135,307	1,827,394	3,300,892

The notes on pages 12 to 23 form part of these financial statements.

All operations are continuing operations.

Church Society
Summary Income and expenditure account
For the year ended 31 December 2021

	2021	2020
	£	£
Income	190,473	120,027
Gains/(losses) on investments	170,380	304,167
Interest and investment income	110,559	112,515
Gross income in the reporting period	471,392	538,709
Expenditure	289,978	283,520
Depreciation	870	1,080
Total expenditure in the reporting period	270,648	284,580
 Net income for the year	 200,744	 272,129

Statement of Comprehensive Income
For the year ended 31 December 2021

	2021	2020
	£	£
Net income for the year	200,744	272,129
Other comprehensive income		
Revaluation of tangible fixed assets	43,462	85,193
 Total comprehensive income for the year	 244,206	 337,322

**Church Society
Balance Sheet
As at 31 December 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8		748,102		703,689
Investments	9		<u>2,855,673</u>		<u>2,685,315</u>
			3,603,775		3,389,004
Current assets					
Stocks	10	10,418		9,132	
Debtors	11	22,493		13,381	
Cash at bank and in hand		<u>358,311</u>		<u>352,749</u>	
		391,222		375,262	
Creditors: amounts falling due within one year	12	<u>(35,258)</u>		<u>(37,804)</u>	
Net current assets			355,964		337,458
Total assets less current liabilities			<u>3,959,739</u>		<u>3,726,462</u>
Creditors: amounts falling due after more than one year	13		(412,641)		(421,570)
Provision for liabilities	18		(2,000)		(4,000)
Net Assets			<u><u>3,545,098</u></u>		<u><u>3,300,892</u></u>
Funds					
Endowment funds	14		1,849,702		1,627,394
Restricted funds	15		1,161,935		1,135,307
Unrestricted funds			433,461		338,191
			<u>3,545,098</u>		<u>3,300,892</u>

Included in the fund balances above are revaluation reserves of £510,614 in Endowment funds, £281,744 in Restricted funds and £89,343 in Unrestricted Funds.

The notes on pages 12 to 23 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 24 May 2022 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 2021

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) – (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 regarding the Trust's ability to continue as a going concern. In reaching that conclusion the trustees have considered the ongoing impact of COVID -19 on activities and cash flows for a period of at least one year from the date of approval of the financial statements.

Church Society has a broad range of income sources such as membership subscriptions, donations, management fees and internal grants along with various investments both in properties and listed investments. This helps provide resilience in income during on-going external factors such as COVID-19. During the previous lockdowns expenditure decreased due to the limit on travel and more on-line focus in carrying out the Charities' objectives. Despite a challenging external environment, reserves have increased over the last two years.

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.

The unrestricted fund represents 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.

Church Society

Notes to the financial statements For the year ended 31 December 2021

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.

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.

Church Society

Notes to the financial statements For the year ended 31 December 2021

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 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.

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

	2021	2020
	£	£
Investment properties	78,446	81,180
Common investment funds	32,095	31,215
Cash deposits	<u>18</u>	<u>120</u>
	110,559	112,515

3. Grants Paid

	2021	2020
	£	£
Amalgamated Ordination and Training Fund		
Scholarships	1,500	5,000
Book grants	<u>497</u>	<u>500</u>
	1,997	5,500
Maldstone St Faith Parish Room		
Contribution to St Faith's, Maldstone	<u>250</u>	<u>250</u>
Paddock Wood Parochial Hall Trust		
Contribution to Paddock Wood Church	<u>25,579</u>	<u>24,336</u>
	27,826	30,086

Church Society
Notes to the financial statements
For the year ended 31 December 2021

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:

	2021 £	2020 £
Not later than one year	14,170	14,170
Later than one year and not later than five years	4,991	18,791
	<u>19,161</u>	<u>32,961</u>
Lease payments charged to expenditure in the year	16,020	14,897

6 Charitable activities

	Staff costs £	Depreciation £	Other costs £	Total 2021 £	Total 2020 £
Grant funding of activities	-	-	27,826	27,826	30,086
Activities undertaken directly	71,374	670	104,958	177,002	171,390
Support costs	32,718	-	-	32,718	42,302
	<u>104,092</u>	<u>670</u>	<u>132,784</u>	<u>237,546</u>	<u>243,778</u>

Other costs - Activities undertaken directly

	2021 £	2020 £
Establishment and property	30,268	31,368
Publications	20,939	24,371
Meetings and conferences	9,707	3,750
Other staff costs	38,457	37,408
Miscellaneous	5,587	4,279
	<u>104,958</u>	<u>101,176</u>

Other costs - Support costs

	2021 £	2020 £
Professional and management fees	5,422	3,864
Meetings and conferences	426	2,188
Governance Costs		
Auditors' remuneration – audit services	4,770	4,792
Trustee Travel Expenses	947	-
	<u>11,565</u>	<u>10,844</u>

Staff costs

	2021 £	2020 £
Wages and salaries	89,484	86,566
Social security costs	3,149	3,094
Pension costs (see note 18)	11,459	10,952
	<u>104,092</u>	<u>100,612</u>

The average number of persons employed by the charitable company during the year was 5 (2020: 4.5). No employee earned more than £60,000.

Church Society
Notes to the financial statements
For the year ended 31 December 2021

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 2021, 2 Council Members claimed reimbursement of travelling expenses totalling £947 (2020: £772). The total value of donations without conditions received from trustees was £717 (2020: £1,660).

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 £68,804 (2020: £65,378).

During the year an interest free loan of £6,000 was agreed between a key member of management and Church Society. As at 31 December 2021 the loan was outstanding was £5,500.

8 Tangible fixed assets

	<i>Freehold property – held for charitable purposes £</i>	<i>Fixtures fittings and equipment £</i>	<i>Total £</i>
Cost or valuation			
As at 1 January 2021	702,391	14,186	716,577
Additions	-	1,621	1,621
Disposals	-	-	-
Revaluation	43,462	-	43,462
As at 31 December 2021	<u>745,853</u>	<u>15,807</u>	<u>761,660</u>
Accumulated depreciation			
As at 1 January 2021	-	12,888	12,888
Provision for the year	-	670	670
Eliminated on disposals	-	-	-
As at 31 December 2021	<u>-</u>	<u>13,558</u>	<u>13,558</u>
Net book value			
As at 31 December 2021	<u>745,853</u>	<u>2,249</u>	<u>748,102</u>
As at 31 December 2020	<u>702,391</u>	<u>1,298</u>	<u>703,689</u>

Freehold property consists of one property which has a value which was based on a professional valuation obtained through letting agents as at 31 December 2021.

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 Church

Inalienable – permanent endowment

Penrhyn Hall, Walthamstow

Old Hill Hall

Church Society
Notes to the financial statements
For the year ended 31 December 2021

9 Fixed asset investments

	<i>Investment Properties</i>	<i>Listed Investment s</i> £	<i>Total</i> £
Cost or valuation			
Valuation at 1 January 2021	1,429,609	1,255,706	2,685,315
Additions	-	-	-
Disposals	-	-	-
Revaluation	26,538	143,820	170,358
Market valuation at 31 December	<u>1,456,147</u>	<u>1,399,526</u>	<u>2,855,673</u>
Historic cost	<u>1,007,868</u>	<u>1,020,589</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 2021.

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

10 Stocks

	2021 £	2020 £
Publications for resale	<u>10,418</u>	<u>9,132</u>

11 Debtors

	2021 £	2020 £
Prepayments	8,968	8,281
Other debtors	13,525	5,100
	<u>22,493</u>	<u>13,381</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	9,582	4,265
Deferred income	4,076	5,043
Accruals	12,033	20,024
Mortgage liability	9,567	8,472
	<u>35,258</u>	<u>37,804</u>

13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Mortgage liability		
Due within 1 - 2 years	9,877	8,839
Due within 2 - 5 years	31,763	28,831
Due in more than 5 years	371,001	383,900
	<u>412,641</u>	<u>421,570</u>

The mortgage liability is secured by a fixed and floating charge over Cranmer House, which had a carrying value of £850,000 at the balance sheet date. Interest on the bank loan was payable at 4.25%. This decreased to 3.45% from March 2022 and increased to 3.70% from June 2022. The mortgage is repayable over the period until February 2049.

Church Society
Notes to the financial statements
For the year ended 31 December 2021

14 Movement on Endowment funds

	<i>Balance 1 January 2021</i>	<i>Movement in funds</i>			<i>Gains/ (losses) on revaluation</i>	<i>Balance 31 December 2021</i>
	£	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	£	£
Permanent endowment funds						
E A Beynon Fund	175,138	-	-	-	2,770	177,908
Birchington Convalescent Benefit Fund	70,612	-	-	-	9,635	80,247
Brighton Emmanuel	312,772	-	-	-	5,310	318,082
Dean Wace Memorial	933,816	-	-	-	93,554	1,027,370
Gloucester Mariners Church	1,000	-	-	-	-	1,000
Leamington Spa, Christchurch	68,056	-	-	-	7,427	75,483
Maldstone, St Faith Parish Room	208,891	-	-	-	3,397	212,288
Old Hill Hall	1,000	-	-	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000
	1,772,285	-	-	-	122,093	1,894,378

Expendable endowment funds						
Lightbowne Evangelical Church, Manchester	1,000	-	-	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	-	-	1,000
St Andrews, Montserrat	1,000	-	-	-	-	1,000
Düsseldorf Chaplaincy	2,543	-	-	-	215	2,758
Gloucester Mariners Residence	23,566	-	-	-	-	23,566
Paddock Wood Parochial Church Hall Trust	25,000	-	-	-	-	25,000
Wigan Recreation Ground	1,000	-	-	-	-	1,000
	55,109	-	-	-	215	55,324

1,827,394 **-** **-** **-** **122,308** **1,949,702**

	<i>Balance 1 January 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>	<i>Balance 31 December 2020</i>
	£	£	£	£	£	£
Permanent endowment funds						
E A Beynon Fund	148,204	-	-	-	26,934	175,138
Birchington Convalescent Benefit Fund	65,652	-	-	-	4,960	70,612
Brighton Emmanuel	258,581	-	-	-	54,191	312,772
Dean Wace Memorial	847,796	-	-	-	86,020	933,816
Gloucester Mariners Church	1,000	-	-	-	-	1,000
Leamington Spa, Christchurch	60,732	-	-	-	7,324	68,056
Maldstone, St Faith Parish Room	175,306	-	-	-	33,585	208,891
Old Hill Hall	1,000	-	-	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000
	1,559,271	-	-	-	213,014	1,772,285

Expendable endowment funds						
Lightbowne Evangelical Church, Manchester	1,000	-	-	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	-	-	1,000
St Andrews, Montserrat	1,000	-	-	-	-	1,000
Düsseldorf Chaplaincy	2,251	-	-	-	282	2,543
Gloucester Mariners Residence	23,566	-	-	-	-	23,566
Paddock Wood Parochial Church Hall Trust	25,000	-	-	-	-	25,000
Wigan Recreation Ground	1,000	-	-	-	-	1,000
	54,817	-	-	-	282	55,109

1,814,088 **-** **-** **-** **213,306** **1,827,394**

Church Society
Notes to the financial statements
For the year ended 31 December 2021

15 Movement on Restricted funds

	<i>Balance 1 January 2021</i>	<i>Income</i>	<i>Movement in funds</i>		<i>Gains/(losses) on revaluation</i>	<i>Balance 31 December 2021</i>
	£	£	<i>Expenditure</i>	<i>Transfers</i>	£	£
			£	£		
Amalg. Ord. and Training Fund	887,918	47,743	(12,462)	(35,280)	32,486	920,405
Birchington Convalescent Fund	1,638	1,952	-	(1,031)	-	2,559
Brighton Emmanuel Trust	17,111	12,651	(3,978)	(8,588)	-	17,196
Düsseldorf	515	66	-	(35)	-	546
Gloucester, Mariners Hall	228	-	-	-	-	228
Gloucester Mariners Residence Fund	(130)	-	-	-	-	(130)
Leamington Spa, Christchurch Fund	2,813	1,901	-	(1,049)	-	3,665
Maldstone, St Faith Parish Room Fund	8,187	8,663	(2,538)	(6,822)	-	7,490
Paddock Wood Parochial Church Hall Trust Fund	176,898	2,509	(25,639)	(1,810)	14,680	166,838
Ryde Ecclesiastical Charity	26,739	183	-	(108)	1,170	27,986
Walthamstow, Penrhyn Hall Trust fund	7,918	196	-	(114)	962	8,962
Walthamstow, St John Fund	5,472	135	-	(78)	681	6,190
	1,135,307	75,999	(44,617)	(54,713)	49,959	1,161,935

	<i>Balance 1 January 2020</i>	<i>Income</i>	<i>Movement in funds</i>		<i>Gains/(losses) on revaluation</i>	<i>Balance 31 December 2020</i>
	£	£	<i>Expenditure</i>	<i>Transfers</i>	£	£
			£	£		
Amalg. Ord. and Training Fund	791,558	51,051	(15,756)	(27,159)	88,224	887,918
Birchington Convalescent Fund	194	1,885	-	(441)	-	1,638
Brighton Emmanuel Trust	13,728	13,786	(4,171)	(8,232)	-	17,111
Düsseldorf	446	69	-	-	-	515
Gloucester, Mariners Hall	228	-	-	-	-	228
Gloucester Mariners Residence Fund	(130)	21	(21)	-	-	(130)
Leamington Spa, Christchurch Fund	1,270	1,939	-	(396)	-	2,813
Maldstone, St Faith Parish Room Fund	6,908	9,107	(2,637)	(5,191)	-	8,187
Paddock Wood Parochial Church Hall Trust Fund	167,046	2,285	(24,383)	(2,338)	14,288	176,898
Ryde Ecclesiastical Charity	25,531	175	(13)	(83)	1,139	26,739
Walthamstow, Penrhyn Hall Trust fund	7,380	196	-	(79)	421	7,918
Walthamstow, St John Fund	5,084	134	-	(54)	308	5,472
	1,039,243	80,648	(46,981)	(41,983)	104,380	1,135,307

16 Net assets held by funds

<i>Balance 31 December 2021</i>	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
	£	£	£	£
Tangible fixed assets	408,317	-	339,785	748,102
Fixed asset investments	189,748	1,083,587	1,582,338	2,855,673
Net current assets	250,037	78,348	27,579	355,964
Long Term Liabilities	(412,641)	-	-	(412,641)
Provision for liabilities	(2,000)	-	-	(2,000)
	433,461	1,161,935	1,949,702	3,545,098

<i>Balance 31 December 2020</i>	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>
	£	£	£	£
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)
	338,191	1,135,307	1,827,394	3,300,892

Church Society

Notes to the financial statements For the year ended 31 December 2021

17. 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.
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.
Maldstone, 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.
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.
Freeholds held on behalf of Churches or other charities.	Lightbourne Evangelical Church, Manchester, Gloucester Mariners Hall, Hollabury Mission Hall Poughill, Cornwall, St Andrews, Montserrat, Old Hill Hall, St Catharine's Recreation Ground, Wigan.

Church Society

Notes to the financial statements For the year ended 31 December 2021

18. 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. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and the other participating employers.

CWPF has two sections:

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

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2021: £2,020, 2020: £2,010).

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

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

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

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

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

Notes to the financial statements For the year ended 31 December 2021

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 (2021: £7,956, 2020: £6,760), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £7,956 for 2021 (2020: £7,760).

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 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 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as 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 2020 and over 2021 is set out in the table below.

	2021	2020
Balance sheet liability at 1 January	4,000	6,000
Deficit contribution paid	(2,000)	(3,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	1,000
Balance sheet liability at 31 December	2,000	4,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

Church Society

Notes to the financial statements For the year ended 31 December 2021

	December 2021	December 2020	December 2019
Discount rate	0.0%	0.2%	1.1% pa
Price inflation	n/a	3.1%	2.8% pa
Increase to total pensionable payroll	-1.5%	1.6%	1.3% 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 £1,384 (2020: £1,377).

19. Capital commitments and contingent liabilities

The charitable company had no material capital commitments or contingent liabilities at 31 December 2021. (2020: £nil).

20. 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.

21. 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.

22. 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.

23. 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 £752,287. Its income was £18,742 and expenditure £10,285 resulting in a surplus of £8,457.