

Report and Financial Statements

For the year ended 31 December 2022

Church Society
(A company limited by guarantee)

Company No 213142
Charity Registration No 249574

Church Society

Financial statements for the year ended 31 December 2022

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Council members	<p>The Revd N T Atkinson The Revd Dr M E Burkill The Revd P T Darlington The Revd M E Davy The Revd Mr J Eggertsen (until 28th June 2022) The Revd M Hayden The Revd Dr J Hughes Mrs R C Hunt The Revd C R H Kilgour The Revd Dr R S Munro Mrs A Robbie The Revd A P J Towner (Chairman) The Revd Dr J D Ward The Revd Dr T Woolford (until 31st August 2022)</p>
Director	<p>The Revd Dr Lee Gatiss</p>
Charity number	<p>249574</p>
Company number	<p>213142</p>
Registered office	<p>Hille Business Estate 132 St Albans Road Watford WD24 4AE</p>
Auditors	<p>Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW</p>
Principal address	<p>Hille Business Estate 132 St Albans Road Watford WD24 4AE</p>

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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 2022

The directors present their report and the financial statements for the year ended 31 December 2022 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 127 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 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. 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, though the Director's stipend is pegged to that of an incumbent in the Diocese of St Albans. 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 three 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 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 referred 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 2022

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 30th August to 1st September 2022, with the title *The Household of God*. Around thirty of us gathered to hear keynote speakers Rob Munro, Lee Gatiss, Mel Lacy, Ros Clarke, and Bishop Richard Jackson speak on the ministry of bishops, presbyters, deacons, and laity. There were also a range of seminars including *Why Stay in the Church of England?* (George Crowder), *Young People in the Household* (Mel Lacy), *Serving as Ministers in the Household* (Andy Greenhough), and *Serving Joyfully as Children in the Household* (Tony Cannon). The work of the conference also continues daily in an online network of nearly 400 members via Facebook. The Church Society AGM was held on 1st September during JAEC, and Lee Gatiss spoke on "Post-Truth Post-Lambeth".

The Regional Directors (George Crowder, Chris Moore, and Tony Cannon) also organised and spoke at a number of webinars, as part of our Network of Revitalisation Ministries (NoRM). They have established contact with around 150 ministers and lay people working in often difficult turnaround ministries across the country, and built up a network for support and encouragement via webinars, an email newsletter, and a WhatsApp group, which we hope to continue resourcing over the next few years.

During Lent we also ran a series of videos called *The Challenges of Global Anglicanism* featuring input from Peter Jensen, Samuel Morrison, Felix Orji, Kara Hartley, Kirsten Birkett, and Henry Scriven. This culminated in a "Prayer Meeting for Global Anglicanism" at which Lee Gatiss, Foley Beach, and Kanishka Raffel spoke, and many joined us online via Zoom to pray.

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 and daily prayers. 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. "Ways Forward on Same-Sex Marriage in Church" and "Take Courage" by Lee Gatiss, "Complementarianism in our Churches" by Kirsten Birkett, and "True Complementarianism" by Ros Clarke), 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 prayer, Anglicanism, leadership lessons, visible differentiation, preaching, evangelism, and Living in Love and Faith (LLF) 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 a full scale response to *Listening with Love and Faith* (a Church of England report as part of LLF) and various blogposts on aspects of LLF such as pastoral accommodation. 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 covered "leadership lessons" and "leadership reset" in a series of posts, climate change, the ongoing use of the Book of Common Prayer, and offered a special collect at the time of Her Late Majesty's death.

We continue to publish our quarterly members magazine, *Crossway*, edited by Ros Clarke. During the year, *Crossway* looked at issues as diverse as what it means to be human, church revitalisation, climate change and care for God's world, Church of England governance and structures, faith in a time of war, the Lambeth Conference, and the ministry of Rod Thomas as Bishop of Maidstone.

We also continued to publish *The Global Anglican* theology journal (with Archbishop Peter Jensen as Editor and Kirsten Birkett as Managing 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.

To continue encouraging solid scholarship in all these areas, Church Society also financially supported those studying and writing. The Dean Wace Scholarship is designed to be awarded to evangelicals within the Church of England who are seeking funding for masters and doctoral level courses (MPhil, ThM, MTh, DMin, PhD etc) in theology and related disciplines (church history, biblical counselling, etc). The Bishop Ryle Bursary is for ministers seeking funding for specific writing projects, sabbatical training proposals, and such like, as well as ordinands seeking an additional year of study below masters level.

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Trustees' and directors' report For the year ended 31 December 2022

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. 55 students have taken at least one module of the course so far, and there are currently 7 students in three seminar groups, including one overseas student.

Dr Clarke also continued as the Leader of the Co-Workers network for complementarian women in Anglican ministry in the UK, under the auspices of the Bishop of Maidstone. The network offers 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 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.

Even today, many women struggle to access formal theological education but are nonetheless committed to study and to service within the church. In order to support such women, Church Society also makes annual Mary Vere Grants towards the cost of their training for non-ordained ministry in the Church of England. Women are, of course, also welcome to apply for the Bishop Ryle and Dean Wace awards where eligible.

In August 2022 we published a new book, *Living in Mercy and Grace: Life and Ministry in Hard Times*. This features chapters by Lee Gatiss, Chris Moore, Martin Davy, Kirsten Birkett, Helen Thorne, and James Newcome looking at patience, humility, perseverance, gentleness, and care of the flock. We also published a new and expanded edition of *Fight Valiantly: Contending for the Faith against False Teaching in the Church* by Lee Gatiss, with additional material and a new cover. Most of our books are now also available not only via Amazon and on Kindle, but in other ebook formats too (pdf, ePub).

As well as their work in NoRM, 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 on various subjects at churches in Cambridge, Barton Seagrave, Fordham, Wembdon, Hailsham, Bradfield Southend and Stanford Dingley, as well as at a fringe event at General Synod in London, and at regional conferences with the Bishop of Maidstone all over the country. He spoke at webinars for wives of ministers in revitalisation parishes, to the FIEC staff team, for a class at the Evangelical Theological College of Asia, a retreat for the Anglican Diocese of the Living Word, Colchester Castle, Lichfield DEF, Union School of Theology, and on *Issues Facing Anglicans Today* at Oak Hill. He represented the Society at Affinity, CEEC, Oak Hill's "Is Church of England Ministry for me?" event, a meeting of the LLF Next Steps Group at Lambeth Palace, and other gatherings including on the Bishop of Maidstone's Advisory Group. He also appeared on various podcasts to speak about Church of England affairs. His editorial work on *The Complete Works of John Owen* (published by Crossway) and *The Hodder Bible Commentary* (Hodder & Stoughton) continues to bring in money for the Society, as well as making valuable contributions to historical, theological, and biblical scholarship and expanding our network of connections.

During the year, Sophie Barker continued as our Finance Manager (having been promoted from Finance Assistant). 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 monthly 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 the Bible's priority in all our contending for the faith is this: "First of all, then, I urge that supplications, prayers, intercessions, and thanksgivings be made for all people" (1 Timothy 2:1).

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Trustees' and directors' report For the year ended 31 December 2022

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 General Endowment Fund and Dean Wace Memorial Endowment Fund.

Within unrestricted income, Donations and Legacies decreased during 2022 mainly due to a significant legacy in 2021. Total expenditure increased modestly compared to 2021 mainly due to strong levels of inflation impacting costs and a greater level of publications in the year. Overall, the result was a £23,594 decrease in unrestricted funds, mainly driven by a £29,308 net loss on investments.

The year 2022 has seen a significantly challenging market for investments which has been seen more keenly due to a strong performance at the end of 2021. As a result, both property and listed investments have decreased in value over the year. As a result, restricted funds had a net loss of £33,195 on investments and the endowment funds noted a net loss of £152,739.

At 31 December 2022 the total reserves under the control of the charity were £3,315,655. Of these reserves, £1,796,963 are held as endowment funds and £1,108,825 as restricted funds and are therefore not available for the general purposes of the charity. £3,381,121 of the total reserves are held in tangible fixed assets or fixed asset investments. The remaining general reserves of £409,867 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. On 31st December 2022, a new General Fund Endowment was set up in which the assets of E A Beynon and Maidstone, St Faith Parish Room have been transferred as the purpose of the funds are now in alignment. 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. 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.

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Trustees' and directors' report For the year ended 31 December 2022

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 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

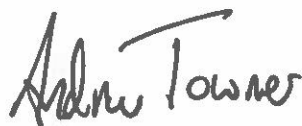
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit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

23/05/ 2023

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 2022 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 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

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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.

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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: 26 MAY 2023

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Statement of financial activities

For the year ended 31 December 2022

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2022 Total	Unrestricted funds	Restricted funds	Endowment funds	2021 Total
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies									
Other trading activities:									
Rent receivable		109,198	13,283	-	122,481	142,280	765	-	143,045
Fees and other income		-	200	-	200	-	200	-	200
Investments	2	12,566	-	-	12,566	23,812	-	-	23,812
Charitable activities		47,286	70,036	-	117,322	35,525	75,034	-	110,559
Subscriptions, publications and conferences		18,312	-	-	18,312	23,416	-	-	23,416
Total income		187,362	83,519	-	270,881	225,033	75,999	-	301,032
Expenditure on:									
Raising funds:									
Fundraising and publicity		377	110	-	487	-	-	-	-
Rental property costs		7,021	15,662	-	22,683	5,866	15,671	-	21,537
Charitable activities:									
Grant funding of activities	3	250	33,488	-	33,738	-	27,826	-	27,826
Activities undertaken directly		177,748	-	-	177,748	175,882	1,120	-	177,002
Support costs		50,426	-	-	50,426	44,283	-	-	44,283
Total expenditure	6	235,822	49,260	-	285,082	226,031	44,617	-	270,648
Net gains/(losses) on investments		(29,308)	(33,195)	(152,739)	(215,242)	17,669	49,959	102,732	170,360
Net (expenditure)/income		(77,766)	1,064	(152,739)	(229,443)	16,671	81,341	102,732	200,744
Gross transfers between funds	4	54,174	(54,174)	-	-	54,713	(54,713)	-	-
Gains/(losses) on revaluation of fixed assets for charity's own use		-	-	-	-	23,886	-	19,576	43,462
Net movement in funds		(23,594)	(53,110)	(152,739)	(229,443)	95,270	26,628	122,308	244,206
Reconciliation of funds									
Balance at 1 January 2022		433,461	1,161,935	1,949,702	3,545,098	338,191	1,135,307	1,827,394	3,300,892
Balances carried forward at 31 December 2022		409,867	1,108,825	1,796,963	3,315,655	433,461	1,161,935	1,949,702	3,545,098

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 2022

	2022	2021
	£	£
Income	153,559	190,473
Gains/(losses) on investments	(215,242)	170,360
Interest and investment income	117,322	110,559
Gross income in the reporting period	55,639	471,392
Expenditure	284,030	269,978
Depreciation	1,052	670
Total expenditure in the reporting period	285,082	270,648
Net income for the year	(229,443)	200,744

Statement of Comprehensive income
For the year ended 31 December 2022

	2022	2021
	£	£
Net income for the year	(229,443)	200,744
Other comprehensive income		
Revaluation of tangible fixed assets	-	43,462
Total comprehensive income for the year	(229,443)	244,206

Church Society
Balance Sheet
As at 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	8		749,463		748,102
Investments	9		<u>2,631,658</u>		<u>2,855,673</u>
			3,381,121		3,603,775
Current assets					
Stocks	10	9,098		10,418	
Debtors	11	24,811		22,493	
Cash at bank and in hand		<u>142,587</u>		<u>358,311</u>	
		176,496		391,222	
Creditors: amounts falling due within one year	12	<u>(42,372)</u>		<u>(35,258)</u>	
Net current assets			134,124		355,964
Total assets less current liabilities			<u>3,515,245</u>		<u>3,959,739</u>
Creditors: amounts falling due after more than one year	13		(199,590)		(412,641)
Provision for liabilities	18		-		(2,000)
Net Assets			<u><u>3,315,655</u></u>		<u><u>3,545,098</u></u>
Funds					
Endowment funds	14		1,796,963		1,949,702
Restricted funds	15		1,108,825		1,161,935
Unrestricted funds			409,867		433,461
			<u><u>3,315,655</u></u>		<u><u>3,545,098</u></u>

Included in the fund balances above are revaluation reserves of £388,272 in Endowment funds, £248,549 in Restricted funds and £40,035 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 23/05 2023 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 2022

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 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.

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.

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 2022

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 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.

Church Society

Notes to the financial statements For the year ended 31 December 2022

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

	2022 £	2021 £
Investment properties	83,298	78,446
Common investment funds	34,032	32,095
Cash deposits	<u>2</u>	<u>18</u>
	<u>117,322</u>	<u>110,559</u>

3. Grants Paid

	2022 £	2021 £
Amalgamated Ordination and Training Fund		
Scholarships	4,500	1,500
Book grants	<u>500</u>	<u>497</u>
	5,000	1,997
General Fund		
Contribution to St Faith's, Maidstone	<u>250</u>	<u>-</u>
Maidstone St. Faiths Parish Room		
Contribution to St. Faith's, Maidstone	<u>-</u>	<u>250</u>
Mary Vere Fund		
Scholarships	<u>500</u>	<u>-</u>
Gloucester Mariners Hall		
Contribution to Gloucester Mariners Hall	<u>228</u>	<u>-</u>
Paddock Wood Parochial Hall Trust		
Contribution to Paddock Wood Church	<u>27,760</u>	<u>25,579</u>
	<u>33,738</u>	<u>27,826</u>

Church Society
Notes to the financial statements
For the year ended 31 December 2022

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

	2022 £	2021 £
The charity is committed to the following payments under operating leases:		
Not later than one year	7,320	14,170
Later than one year and not later than five years	-	4,991
	<u>7,320</u>	<u>19,161</u>
Lease payments charged to expenditure in the year	<u>16,320</u>	<u>16,020</u>

6 Charitable activities

	Staff costs £	Depreciation £	Other costs £	Total 2022 £	Total 2021 £
Grant funding of activities	-	-	33,738	33,738	27,826
Activities undertaken directly	76,234	1,052	100,462	177,748	177,002
Support costs	30,900	-	19,526	50,426	44,283
	<u>107,134</u>	<u>1,052</u>	<u>153,726</u>	<u>261,912</u>	<u>249,111</u>

Other costs - Activities undertaken directly

	2022 £	2021 £
Establishment and property	25,776	30,268
Publications	24,738	20,939
Meetings and conferences	7,191	9,707
Other staff costs	38,636	38,457
Miscellaneous	4,121	5,587
	<u>100,462</u>	<u>104,958</u>

Other costs - Support costs

	2022 £	2021 £
Professional and management fees	300	5,422
Meetings and conferences	2,628	426
Governance Costs		
Professional and management fees	10,080	-
Auditors' remuneration – audit services	4,980	4,770
Trustee Travel Expenses	1,538	947
	<u>19,526</u>	<u>11,565</u>

Staff costs

	2022 £	2021 £
Wages and salaries	93,637	89,484
Social security costs	2,667	3,149
Pension costs (see note 18)	10,830	11,459
	<u>107,134</u>	<u>104,092</u>

The average number of persons employed by the charitable company during the year was 5 (2021: 5). No employee earned more than £60,000.

Church Society
Notes to the financial statements
For the year ended 31 December 2022

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 2022, 11 Council Members claimed reimbursement of travelling expenses totalling £1,538 (2021: £947). The total value of donations without conditions received from trustees was £2,291 (2021: £717).

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 £66,009 (2021: £68,804).

In 2021 an interest free loan of £6,000 was agreed between a key member of management and Church Society. As at 31 December 2022 the loan was outstanding was £4,300.

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 2022	745,853	15,807	761,660
Additions	-	2,413	2,413
Disposals	-	(899)	(899)
Revaluation	-	-	-
As at 31 December 2022	<u>745,853</u>	<u>17,321</u>	<u>763,174</u>
Accumulated depreciation			
As at 1 January 2022	-	13,558	13,558
Provision for the year	-	1,052	1,052
Eliminated on disposals	-	(899)	(899)
As at 31 December 2022	<u>-</u>	<u>13,711</u>	<u>13,711</u>
Net book value			
As at 31 December 2022	<u>745,853</u>	<u>3,610</u>	<u>749,463</u>
As at 31 December 2021	<u>745,853</u>	<u>2,249</u>	<u>748,102</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 2022.

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 2022

9 Fixed asset investments

	<i>Investment Properties</i>	<i>Listed Investments</i>	<i>Total</i>
		£	£
Cost or valuation			
Valuation at 1 January 2022	1,456,147	1,399,526	2,855,673
Additions	-	201,000	201,000
Disposals	-	(242,397)	(242,397)
Revaluation	(75,000)	(107,618)	(182,618)
Market valuation at 31 December	<u>1,381,147</u>	<u>1,250,511</u>	<u>2,631,658</u>
Historic cost	<u>1,007,868</u>	<u>1,009,569</u>	<u>2,017,437</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 2022.

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

10 Stocks

	2022	2021
	£	£
Publications for resale	<u>9,098</u>	<u>10,418</u>

11 Debtors

	2022	2021
	£	£
Prepayments	6,870	8,968
Other debtors	17,941	13,525
	<u>24,811</u>	<u>22,493</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,580	9,582
Deferred income	1,928	4,076
Accruals	32,867	12,033
Mortgage liability	3,997	9,567
	<u>42,372</u>	<u>35,258</u>

13 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Mortgage liability		
Due within 1 - 2 years	4,203	9,877
Due within 2 - 5 years	13,954	31,763
Due in more than 5 years	181,433	371,001
	<u>199,590</u>	<u>412,641</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. During the year a repayment of £212,000 was made. Interest on the bank loan is variable and in February 2023 at 5.65%. The mortgage is repayable over the period until February 2049.

Church Society
Notes to the financial statements
For the year ended 31 December 2022

14 Movement on Endowment funds

	<i>Balance 1 January 2022</i>	<i>Income</i>	<i>Movement in funds</i>		<i>Gains/ (losses) on revaluation</i>	<i>Balance 31 December 2022</i>
	£	£	<i>Expenditure</i>	<i>Transfers</i>	£	£
			£	£		
Permanent endowment funds						
E A Beynon Fund	177,908	-	-	(165,000)	(12,908)	-
Birchington Convalescent Benefit Fund	80,247	-	-	-	(8,234)	72,013
Brighton Emmanuel	318,082	-	-	-	(21,233)	296,849
Dean Wace Memorial	1,027,370	-	-	-	(86,789)	940,581
General Fund	-	-	-	362,418	-	362,418
Gloucester Mariners Church	1,000	-	-	-	-	1,000
Leamington Spa, Christchurch	75,483	-	-	-	(9,707)	65,776
Maidstone, St Faith Parish Room	212,288	-	-	(197,418)	(14,870)	-
Old Hill Hall	1,000	-	-	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000
	1,894,378	-	-	-	(153,741)	1,740,637

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	2,758	-	-	-	(391)	2,367
Gloucester Mariners Residence	23,566	-	-	-	1,393	24,959
Paddock Wood Parochial Church Hall Trust	25,000	-	-	-	-	25,000
Wigan Recreation Ground	1,000	-	-	-	-	1,000
	55,324	-	-	-	1,002	56,326

1,949,702 **-** **-** **-** **(152,739)** **1,796,963**

	<i>Balance 1 January 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>	<i>Balance 31 December 2021</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
Maidstone, 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**

Church Society
Notes to the financial statements
For the year ended 31 December 2022

15 Movement on Restricted funds

	Movement in funds					Balance 31 December 2022 £
	Balance 1 January 2022 £	Income £	Expenditure £	Transfers £	Gains/(losses) on revaluation £	
Amalg. Ord. and Training Fund	920,405	49,336	(17,603)	(34,692)	(40,958)	876,488
Birchington Convalescent Fund	2,559	2,018	-	(976)	-	3,601
Brighton Emmanuel Trust	17,196	14,404	(3,059)	(8,521)	-	20,020
Düsseldorf	546	67	-	(33)	-	580
Gloucester, Mariners Hall	228	-	(228)	-	-	-
Gloucester Mariners Residence Fund	(130)	343	-	-	-	213
Leamington Spa, Christchurch Fund	3,665	1,899	-	(950)	-	4,614
Maldstone, St Faith Parish Room Fund	7,490	-	-	(7,490)	-	-
Mary Vere Fund	-	12,563	(610)	-	-	11,953
Paddock Wood Parochial Church Hall Trust Fund	168,838	2,160	(27,760)	(1,254)	8,003	147,987
Ryde Ecclesiastical Charity	27,986	341	-	(93)	1,388	29,622
Walthamstow, Penrhyn Hall Trust fund	8,962	230	-	(98)	(944)	8,150
Walthamstow, St John Fund	6,190	158	-	(67)	(684)	5,597
	1,161,935	83,519	(49,260)	(54,174)	(33,195)	1,108,825

	Movement in funds					Balance 31 December 2021 £
	Balance 1 January 2021 £	Income £	Expenditure £	Transfers £	Gains/(losses) on revaluation £	
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)	(1,610)	14,680	166,838
Ryde Ecclesiastical Charity	26,739	183	-	(106)	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

16 Net assets held by funds

Balance 31 December 2022	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	225,238	-	524,225	749,463
Fixed asset investments	306,880	1,054,934	1,269,844	2,631,658
Net current assets	77,339	53,891	2,894	134,124
Long Term Liabilities	(199,590)	-	-	(199,590)
Provision for liabilities	-	-	-	-
	409,867	1,108,825	1,796,963	3,315,655

Balance 31 December 2021	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
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

Church Society

Notes to the financial statements For the year ended 31 December 2022

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. On 31 st December 2022 the balance of the fund has been transferred to General Funds in line with the purpose of the fund.
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.
General Fund	For the general purposes of Church Society
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.
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. On 31 st December 2022 the balance of the fund has been transferred to General Funds in line with the purpose of the fund.
Mary Vere Fund	This is a new fund which started in 2022. Its aim is to assist with and promote the educational and training needs of women who are in, or are training for, non-ordained ministry in the established Church of England who subscribe to the conservative, evangelical tradition.
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.

Church Society

Notes to the financial statements For the year ended 31 December 2022

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.

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

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 (2022: £2,086, 2021: £2,020).

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 10.1% following improvements in the funding position over 2022. 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.

Church Society

Notes to the financial statements For the year ended 31 December 2022

(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 Church of England Funded Pensions 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 (2022: £8,266, 2021: £7,956), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £7,266 for 2022 (2021: £7,956).

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 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%)

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) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022	2021
Balance sheet liability at 1 January	2,000	4,000
Deficit contribution paid	(1,000)	(2,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	(1,000)	0
Balance sheet liability at 31 December	0	2,000

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* 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% 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 £1,491 (2021: £1,384).

19. Capital commitments and contingent liabilities

The charitable company had no material capital commitments or contingent liabilities at 31 December 2022. (2021: £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 £680,507. Its income was £19,371 and expenditure £9,017 resulting in a surplus of £10,354.