

Charity registration number 271151

Company registration number 00366710 (England and Wales)

**THE FREE CHURCH OF ENGLAND CENTRAL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR**

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

The Right Reverend P Hunt
Right Reverend Dr J Fenwick
Mr W A Clements
Mr C Mills
Miss L A Secker
Reverend R Wilson
Reverend M Spiers
Mrs N Stenstrom
Reverend A K Roberts (Appointed 10 May 2022)
The Reverend Dr J Watson (Appointed 10 May 2022)
Mrs T J C Sahadevan (Appointed 10 May 2022)

Secretary

Reverend Dr R Stephen

Charity number

271151

Company number

00366710

Registered office

Azzurri House
Walsall Road
Aldridge
Walsall
England
WS9 0RB

Independent examiner

Christopher Hession C.A.
Azzurri House
Walsall Road
Aldridge
Walsall
England
WS9 0RB

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

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THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Company's governing document (Memorandum and Articles of Association), the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable objects of the Company are to act as a Central Board of Trustees for The Free Church of England, otherwise called The Reformed Episcopal Church (hereinafter called 'the Church'), and to promote aid and further the objects and work of and to perform work and to transact business in connection with the Church and there has been no change in these during the year.

The aims of the charity are the advancement of the Christian Faith by supporting the Churches of the Denomination of the Free Church of England in worship and witness; by planting new Churches; and by activities supportive of these aims.

The charity is committed to advancing the faith of the Free Church of England by seeking new followers and facilitating the practice of the faith by existing followers. It also seeks to proselytise new followers sensitively and without coercion.

It does by (inter alia):-

sermons and religious seminars, talks, meetings and conferences

the encouragement and support of pastoral work;

promoting the study of religious teachings and practices and scriptures;

support of religious office holders for acting as such, including the provision of stipends and other living allowances, pensions and retirement accommodation;

the provision and maintenance of a buildings used for religious practice.

The Trustees have paid due regard to the public benefit guidance published by the Charity Commission in reviewing the charity's objectives and activities.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Services continue in all Churches of the Denomination allowing for the Christian Faith to be shared publicly in worship and witness, alongside the Occasional Offices (Baptisms, Solemnisation of Matrimony and Funerals) and ongoing Pastoral Care. A review is underway of the existing property portfolio and how that may be used to extend the Denomination by Church Planting.

Grants are made to further the work of The Free Church of England.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

1. General

The appointment of a full-time Company Secretary for the Free Church of England Central Trust and a General Secretary for the Free Church of England has been the most significant development in this year. This post enables a more proactive approach to the work that supports and enables the work of the Denomination.

It is also good to put on record that the Charity Commission serious incident investigation has now been closed and both Bishops have been cleared of any financial irregularity. There have been some recommendations with regard to how the Central Trust works and so a Complaints Policy has been agreed as has a Conflicts of Interest Policy.

This report covers the work of the Free Church of England Central Trust. The Free Church of England Central Trust has, historically, dealt with property and investments and the General Council dealt with everything else. As a result of the recent engagement with the Charity Commission the focus the Free Church of England Central Trust Agenda has been redesigned so that it addresses directly and purposefully the Charitable Aims to which we are held accountable. These are listed below with a summary of the actions already taken or proposed.

2. Property

This has been a busy year regarding the property lodged with the Free Church of England Central Trust. We have agreed the sale of the site at Preston and there has been some negotiation with regards to the Hollinwood site with Impact at St James no longer an Associate Congregation of the Free Church of England but continuing their valuable ministry and Christian presence on that site. Similarly, a dialogue has been initiated with Hoyland. There is an ongoing discussion concerning St Jude's at Walsall and about the Parsonage at Harlesden.

The Free Church of England Central Trust is Custodian Trustee of many Churches and properties and we are still working towards fulfilling our responsibilities for all those sites so that the investment of those in previous generations is honoured.

We have, during this year, initiated a Denominational Insurance Scheme with a Broker who engages with each Church to ensure full cover for in their specific location and have also engaged with a supplier in setting up a Denominational scheme for gas and electricity. It is hoped that many of our Churches will sign up for these so that, together, we will manage to achieve some economy of scale.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3. Central Board of Finance

The Denomination as a whole is committed to the objectives of the Charity.

There had been six applications to the Home Mission Fund for this current year and all grants were approved.

1) HOLY TRINITY – OSWALDTWISTLE

Towards printing and refreshments for a Memorial Service held for families affected by Covid and who were unable to hold a full funeral service due to the restrictions

2) ST FRANCIS CHURCH - SHOREHAM-BY-SEA

Towards Messy Church Breakfast Clubs Publicity and TV Monitor on a stand

3) ST PAUL'S CHURCH – BEXHILL

Towards church entrance improvements and removing weathervane, publicity and outreach

4) ST GEORGE'S CHURCH – BLACKBURN

Toward Facebook adverts and Easter publicity from CPO

5) ST ANDREW'S – BENTLEY

Towards the cost of Memorial Services held in December for families affected by Covid and other bereavements.

Printing Costs, Candles, and Refreshments.

Licences for Online and streaming services

Materials for Messy Church

6) CHRIST CHURCH – WILLESBOROUGH

Study Material for virtual Bible Studies classes

500 Christmas Invitations to the Salvation Army Band Carol Service at Christ Church

As part of the restructuring of how we 'do business' we have agreed budgets for the various charitable objectives so that there are funds to apply to projects as they come to fruition.

4. Training for the Ministry of the Church

There has, in recent years, been no clear pathway for the training and formation of ministers. The Free Church of England co-operates fully in the quarterly meeting (chaired by the Rev'd Dr Jonathan Riches of the Reformed Episcopal Seminary in the USA) where the more general matters of theological education in Europe are discussed under the European Anglican Theological Seminary (EATS).

Having explored a number of options – including accessing theological education provided in the USA - we eventually secured a partnership with the London School of Theology who will provide a recognised and accredited theological education in the UK. This could be at Certificate, Diploma or Degree level and could be undertaken in-person or on-line. Formation for ministry in the context of the Free Church of England would then be completed within the Denomination, using the people and resources available to us. The work of setting this up is ongoing.

5. Maintenance for the Ministry

The Denominational Stipend Scheme and the Denominational Pension scheme are fully operational.

Some historic funds have now been applied to providing stipends for ministry. We continue to explore ways in which we can identify resources that can properly be applied to funding ministry in both the South and the North.

6. Church Planting and Evangelism

Steps are also being taken to revitalise the work at Emmanuel, Morecambe, and at Christ Church, Leigh-on-Sea. These represent significant and positive moves towards reclaiming lost ground.

7. Youth Education

We are aware that this is an area that needs development. During this year we have been able to support a youth group that serves the whole Denomination based at St Andrew's, Bentley, with a particular emphasis on providing support for mental health and wellbeing.

8. Website

The launch of the new website was noted and it was hoped that there would be better support for this by Churches sending in items of news or a report on their activities that would be of interest to the wider constituency.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The investments made during the year have performed in line with markets generally and the Trustees consider the investment manager's performance to be satisfactory.

Financial review

The Company has operated satisfactorily during the year in the furtherance of its principal activities and a summary of those activities is set out in the Statement of Financial Activities on page 4.

There was a decrease of funds of £186,537 (2021 - £3,638 increase).

As at 31 December 2022 the Company had reserves of £892,943 (2021 - £1,079,480) as detailed on the Balance Sheet on page 6.

It is the policy of the Company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

There are no restrictions on the Company's power to invest. The investment strategy is to maintain the long term purchasing power of the capital against inflation whilst achieving a balance between capital growth and income.

The investments are managed within the financial and ethical guidelines set down by the Trustees but otherwise at the discretion of the investment managers.

The Trustees have assessed the major risks to which the Company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Company is limited by guarantee and does not have a share capital. It is licensed by the Department of Industry to be registered without the addition of the word "Limited" to its name.

The Company was incorporated on 23 April 1941 under the Companies Act 1929.

The Company is a registered Charity, under the Charities Act 2011.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

The Right Reverend P Hunt	
Right Reverend Dr J Fenwick	
Mr W A Clements	
Mrs M Cassidy	(Resigned 19 March 2022)
Mr C Mills	
Miss L A Secker	
Reverend Dr G Wareing	(Resigned 19 March 2022)
Reverend R Wilson	
Reverend M Spiers	
Mrs N Stenstrom	
Reverend A K Roberts	(Appointed 10 May 2022)
The Reverend Dr J Watson	(Appointed 10 May 2022)
Mrs T J C Sahadevan	(Appointed 10 May 2022)
The Reverend G E Andow	(Appointed 10 May 2022 and resigned 8 February 2023)

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

All those elected to serve on the General Council of the Free Church of England are also appointed Trustees. Article III states that:

Convocation shall appoint at its Annual Meeting a Council of its members and delegate to such Council such administrative powers and functions as Convocation shall from time to time resolve. The Council thus appointed shall hold once until the next succeeding Annual Meeting of Convocation.

No other person or persons within the Free Church of England or external to it has the power or authority to appoint Trustees.

None of the Trustees have any beneficial interest in the company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Committees and working parties

1.1 The Executive Council may:

1.1.1 establish Committees consisting of those persons whom the Executive Council decide;

1.1.2 delegate to a Committee any of its powers; and

1.1.3 revoke a delegation at any time.

1.2 The Executive Council may establish Working Parties consisting of those persons whom the Executive Council decide. A Working Party may not take decisions on behalf of the Executive Council but may consider issues in depth with a view to making recommendations to the Executive Council.

1.3 The members of a Committee or a Working Party are to be appointed by the Executive Council but the Executive Council may give a Committee or a Working Party the right to co-opt individuals to its membership. The Executive Council is to determine the chair of each Committee or Working Party.

1.4 Each member of a Committee or Working Party (including the chair) is to hold office from the date of his appointment until the term of office for which he has been appointed expires or until he resigns or is removed by the Executive Council from the Committee or Working Party.

1.5 The Executive Council must determine the quorum for each Committee and Working Party it establishes.

1.6 The Executive Council must specify the financial limits within which any Committee may function. A Working Party can have no authority to incur expenditure.

1.7 Every Committee or Working Party must report its proceedings and decisions to the Executive Council as the Executive Council determines.

1.8 A meeting of a Committee or Working Party may be held entirely through telephone, video conferencing or other communications equipment, via a mixture of such communications equipment or with some people physically present at the meeting whilst others are present via communications equipment. If all the people participating in the meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Funds held as custodian trustee

The Free Church of England Central Trust holds funds as Trustee on behalf of the Denomination and various churches within the denomination. The objects of the denomination and the various churches within are the advancement of the Christian religion by means and in accordance with the principles of The Free Church of England.

Investments at market value	£806,913 (2021 - £927,533)
Cash deposits and other current assets	£152,884 (2021 - £181,964)

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The amounts held as custodian trustee for each church/trust as at 31 December 2022 are as follows:

Emmanuel Church, Barnstable £180,847
Crowborough Rectory £31,559
Crowborough Church, East Sussex £93,526
Emmanuel Church Carshalton £66,909
Putney £79,254
Christchurch Exmouth Patten £109,887
Farnham SSF £68,412
St Georges, Blackburn £39,695
North Diocese £98,630
St Stephen's Church, Middlesbrough £191,078

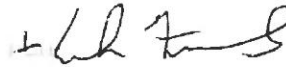
The objects of these churches and trusts are aligned and for the benefit of the Free Church of England Central Trust.

Funds held as custodian trustee are accounted for as separate funds within the charity's books and records.

The Trustees' report was approved by the Board of Trustees.



Reverend Dr R Stephen
Company Secretary



Right Reverend Dr J Fenwick
Trustee

25 May 2023

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE FREE CHURCH OF ENGLAND CENTRAL TRUST

I report to the Trustees on my examination of the financial statements of The Free Church of England Central Trust (the Company) for the year ended 31 December 2022.

Responsibilities and basis of report

As the Trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

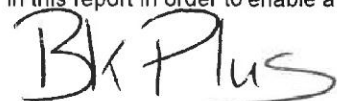
Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I am aware of ongoing correspondence with the Charity Commission in relation to various matters which may have occurred over recent years. As at the date of signing this report the matters remain outstanding and as such I have not noted this as a matter of material concern.

I confirm that there are no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Christopher Hession C.A.

Azzurri House
Walsall Road
Aldridge
Walsall
WS9 0RB
England

Dated: 26 May 2023

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The amounts held as custodian trustee for each church/trust as at 31 December 2022 are as follows:

Emmanuel Church, Barnstable £180,847
Crowborough Rectory £31,559
Crowborough Church, East Sussex £93,526
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Putney £79,254
Christchurch Exmouth Patten £109,887
Farnham SSF £68,412
St Georges, Blackburn £39,695
North Diocese £98,630
St Stephen's Church, Middlesbrough £191,078

The objects of these churches and trusts are aligned and for the benefit of the Free Church of England Central Trust.

Funds held as custodian trustee are accounted for as separate funds within the charity's books and records.

The Trustees' report was approved by the Board of Trustees.

Reverend Dr R Stephen
Company Secretary

Right Reverend Dr J Fenwick
Trustee

25 May 2023

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds	Endowment funds designated	Restricted funds	Total	Unrestricted funds	Endowment funds designated	Restricted funds	Total
		2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Income from:									
Donations and legacies	3	-	-	-	-	-	-	17,758	17,758
Charitable activities	4	723	-	55,684	56,407	792	-	58,118	58,910
Investments	5	1,067	-	-	1,067	791	-	-	791
Total income		1,790	-	55,684	57,474	1,583	-	75,876	77,459
Expenditure on:									
Charitable activities	6	53,536	-	98,285	151,821	49,000	-	90,113	139,113
Net gains/(losses) on investments	11	(35,071)	(10,492)	(46,627)	(92,190)	26,653	7,094	31,545	65,292
Net (outgoing)/incoming resources before transfers		(86,817)	(10,492)	(89,228)	(186,537)	(20,764)	7,094	17,308	3,638

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds	Endowment funds designated	Restricted funds	Total	Unrestricted funds	Endowment funds designated	Restricted funds	Total
		2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Net (outgoing)/incoming resources before transfers		(86,817)	(10,492)	(89,228)	(186,537)	(20,764)	7,094	17,308	3,638
Gross transfers between funds		(57,082)	-	57,082	-	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(143,899)	(10,492)	(32,146)	(186,537)	(20,764)	7,094	17,308	3,638
Fund balances at 1 January 2022		545,918	115,453	418,109	1,079,480	566,442	108,359	400,801	1,075,602
Fund balances at 31 December 2022		402,019	104,961	385,963	892,943	545,918	115,453	418,109	1,079,480

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		260,500		9,400
Investments	14		476,613		706,469
			<u>737,113</u>		<u>715,869</u>
Current assets					
Debtors	15	25,138		24,395	
Cash at bank and in hand		166,913		370,853	
		<u>192,051</u>		<u>395,248</u>	
Creditors: amounts falling due within one year	17	(36,093)		(31,509)	
Net current assets			<u>155,958</u>		<u>363,739</u>
Total assets less current liabilities			<u>893,071</u>		<u>1,079,608</u>
Creditors: amounts falling due after more than one year	18		(128)		(128)
Net assets			<u><u>892,943</u></u>		<u><u>1,079,480</u></u>
Income funds					
Restricted funds	19		385,963		418,109
Designated funds			104,961		115,453
Unrestricted funds			402,019		545,918
			<u><u>892,943</u></u>		<u><u>1,079,480</u></u>

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 May 2023



Mr W A Clements
Trustee

Company Registration No. 00366710

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Free Church of England Central Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Azzurri House, Walsall Road, Aldridge WS9 0RB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Company is a Public Benefit Entity as defined by FRS 102.

The Company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Company.

1.4 Income

Income is recognised when the Company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature to support them.

Grants are accounted for when the company is committed to paying them.

Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost and nil
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The freehold property purchased in 2022 is not depreciated, on the basis of it having such a long useful life and a high residual value.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Total	Restricted funds
	2022	2021
	£	£
Coronavirus Job Retention Scheme Grant	-	17,758

4 Charitable activities

	2022	2021
	£	£
Incoming resources from charitable activities - contributions from churches	55,684	58,118
Other income	723	792
	<u>56,407</u>	<u>58,910</u>
Analysis by fund		
Unrestricted funds	723	792
Restricted funds	<u>55,684</u>	<u>58,118</u>
	<u>56,407</u>	<u>58,910</u>

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	1,067	791

Interest receivable comprised £742 loan interest (2021 - £720) and £325 bank interest (2021 - £71).

6 Charitable activities

	2022	2021
	£	£
Stipend costs	100,924	95,398
Depreciation and impairment	229	229
Book-keeping fees	2,687	927
Accountancy	12,546	8,026
General expenses	8,746	2,903
Legal and professional fees	21,710	27,303
Charges and fees	890	2,004
Property repairs	1,506	-
	149,238	136,790
Grant funding of activities (see note 7)	2,583	2,323
	151,821	139,113
Analysis by fund		
Unrestricted funds	53,536	49,000
Restricted funds	98,285	90,113
	151,821	139,113

7 Grants payable

	2022	2021
	£	£
Training grants	2,583	2,323
	2,583	2,323

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Independent Examiner's Remuneration

Fees payable to the Charity's Independent Examiner:	2022	2021
	£	£
Independent Examination of the Charity's Annual Accounts	2,000	2,000
Non-audit services		
Accountancy and payroll services	7,626	6,026

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Company during the year, except for The Right Reverend Paul Hunt, a Trustee of the charity, who was paid £21,698 stipend (2021 - £23,933) and £1,667 honoraria (2021 - £5,000) for ministerial duties performed for the Church.

The Right Reverend Paul Hunt was reimbursed a total of £nil (2021 - £1,780) expenses during the year.

10 Stipend

The average monthly number of office holders receiving a stipend during the year was:

	2022	2021
	Number	Number
Ministers	5	5
General Secretary	1	-
Total	6	5
Employment costs	2022	2021
	£	£
Stipends	95,419	91,733
Social security costs	4,491	2,130
Other pension costs	1,014	1,535
	100,924	95,398

There were no employees whose annual remuneration was £60,000 or more.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11	Net gains/(losses) on investments	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	Gain/(loss) on investments	(35,071)		(10,492)		(46,627)		(92,190)		26,653		7,094		31,545		65,292	

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 January 2022	11,461
Additions	251,329
At 31 December 2022	262,790
Depreciation and impairment	
At 1 January 2022	2,061
Depreciation charged in the year	229
At 31 December 2022	2,290
Carrying amount	
At 31 December 2022	260,500
At 31 December 2021	9,400

During the year a parsonage was purchased in Broadstairs.

14 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 January 2022	706,369	100	706,469
Valuation changes	(92,189)	-	(92,189)
Withdrawals	(137,666)	-	(137,666)
At 31 December 2022	476,514	100	476,614
Carrying amount			
At 31 December 2022	476,514	100	476,614
At 31 December 2021	706,369	100	706,469

	Notes	2022 £	2021 £
Other investments comprise:			

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14	Fixed asset investments		(Continued)
	Investments in subsidiaries	100	100
		<u> </u>	<u> </u>
15	Debtors	2022	2021
	Amounts falling due within one year:	£	£
	Other debtors	25,138	24,395
		<u> </u>	<u> </u>
	Other debtors comprises a loan from the Central Trust to St Jude's Church, Walsall. Interest is charged at 3%. There are no fixed repayment terms.		
16	Loans and overdrafts	2022	2021
		£	£
	Interest free loans	128	128
		<u> </u>	<u> </u>
	Payable after one year	128	128
		<u> </u>	<u> </u>
17	Creditors: amounts falling due within one year	2022	2021
		£	£
	Other creditors	36,093	31,509
		<u> </u>	<u> </u>
18	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Other loans	128	128
		<u> </u>	<u> </u>

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021 £	Movement in funds			Balance at 1 January 2022 £	Movement in funds			Balance at 31 December 2022 £
		Incoming resources £	Resources expended £	Revaluations, gains and losses £		Incoming resources £	Resources expended £	Revaluations, gains and losses £	
Southern Diocese Stipend Fund: Bishops Fund	85,114	-	-	-	85,114	-	-	-	85,114
Southern Diocese Stipend Fund: Stipend Fund	312,915	75,876	(90,113)	31,545	330,223	55,684	(98,285)	(46,627)	298,077
Russian Church Appeal	2,772	-	-	-	2,772	-	-	-	2,772
	400,801	75,876	(90,113)	31,545	418,109	55,684	(98,285)	(46,627)	385,963

a) The Southern Diocese Stipend Fund represents funds set aside to augment stipends to clergy in the Southern Diocese.

b) The Russian Church Appeal represents funds available to assist the development of a church in St Petersburg, Russia.

c) During the financial year to 31 December 2020 a bequest was received for £30,000 into The Free Church of England Southern Diocese Stipend Fund. An additional restriction was placed on the fund in that it is to be used to provide a contribution to a Stipend for future Ministers of Emmanuel Church Alum Rock Road Birmingham, provided that such Emmanuel Church shall still be functioning in accordance with the Canons and Constitutions of the Free Church of England or of its lawfully constituted successor. If the said Emmanuel Church or its successor ceases so to function then the aforesaid bequest is to be used at the discretion of the aforementioned Stipend Fund.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021	Revaluations, gains and losses	Balance at 1 January 2022	Revaluations, gains and losses	Balance at 31 December 2022
	£	£	£	£	£
Clergy Benevolent Fund	108,258	7,094	115,352	(10,492)	104,860
Somerville Bequest	101	-	101	-	101
	<u>108,359</u>	<u>7,094</u>	<u>115,453</u>	<u>(10,492)</u>	<u>104,961</u>

a) The Clergy Benevolent Fund is used to assist retired clergy of The Free Church of England and their widows and to augment pension contributions on behalf of serving clergy of The Free Church of England.

b) The Somerville Bequest is used to assist the running of The Free Church of England Central Trust.

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£
Tangible assets	260,500		-		-		260,500		-		-		9,400	
Investments	95,188		70,025		311,400		476,613		80,516		358,027		706,469	
Current assets/(liabilities)	46,459		34,936		74,563		155,958		34,937		60,082		363,739	
Long term liabilities	(128)		-		-		(128)		-		-		(128)	
	402,019		104,961		385,963		892,943		115,453		418,109		1,079,480	

THE FREE CHURCH OF ENGLAND CENTRAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Related party transactions

During the year the Company paid £1,854 (2021 - £925) to Mrs Sharon Clements, the wife of a Trustee, for book-keeping services.

