

THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

England & Wales · Charity number 313070

Details

Other names	THE NATIONAL SOCIETY (CHURCH OF ENGLAND) FOR PROMOTING RELIGIOUS EDUCATION, THE NATIONAL SOCIETY
Status	Registered
Legal form	Other
Company number	RC000373
Registered	1966-08-26
Register	View on the Charity Commission register

Contact

Address	The National Society Church House Great Smith Street London SW1P 3BL
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Website	www.churchofengland.org/education

Activities

Objects: THE PROMOTION, ENCOURAGEMENT AND SUPPORT OF EDUCATION IN ACCORDANCE WITH THE PRINCIPLES OF THE CHURCH OF ENGLAND, IN ENGLAND AND IN WALES AND IN ANY OTHER PART OF THE WORLD WHERE THE CHURCH OF ENGLAND OR CHURCHES IN COMMUNION WITH IT MAY BE AT WORK. THE INVESTMENTS AND PROPERTY AND ALL OF THE INCOME OF THE SOCIETY SHALL HENCEFORTH BE APPLICABLE FOR THE GENERAL PURPOSES OF THE SOCIETY AS HEREIN STATED.

Activities: The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales, and in any other part of the world where the Church of England or churches in communion with it may work.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£9,997,069	£9,359,780	£14,136,560	55
2023-12-31	£5,778,197	£5,838,983	£13,650,962	45
2022-12-31	£3,386,191	£3,985,481	£13,680,003	30
2021-12-31	£1,547,169	£1,828,477	£16,158,620	22
2020-12-31	£1,452,658	£1,425,967	£14,929,727	11

Trustees

Name	Role	Appointed
Bishop Jonathan Frost		2024-01-01
Canon Dr Addy Lazz-Onyenobi		2021-06-08
Canon Rachel Howie		2023-01-01
Christopher Robert Penn		2024-06-14
Dr Grahame Davies		2024-05-30
Jean Noel Ezingear		2021-06-08
MARION PLANT		2015-02-19
REVD CANON PETER BALLARD		2011-06-16
ROSEMARY JANE LYON		2015-02-19
Rev Mary Stallard		2022-02-04
Sonia Thompson		2021-11-03
The Ven Douglas James Dettmer		2025-06-17

Linked charities

- BERRIEW (KITH AND KIN) TRUST (313070-1)
- WOOD TRUST FUND (ICW COLLEGE OF ST. MARK AND ST. JOHN) (313070-10)
- ALDER TRUST FUND (313070-11)
- MERCIER TRUST (ICW WHITELANDS COLLEGE) (313070-12)
- CLEATHINGS TRUST (313070-2)
- GILLOTT MEMORIAL SCHOLARSHIP (ICW WHITELANDS COLLEGE) (313070-3)
- STICKFORD TRUST (313070-4)
- LEYTON TRUST (313070-5)
- NORRIS MEMORIAL FUND (ICW BATTERSEA COLLEGE) (313070-6)
- PATRONS SOCIETY TRUST (313070-7)
- HEBBLETHWAITE MEMORIAL TRUST (313070-8)
- PORTIA AND ELLEN WHEELER PRIZE FUND (313070-9)

Accounts

**The National Society
(Church of England and Church in Wales)
for the Promotion of Education**

Annual report and financial statements
for the year ended 31 December 2024

Registered Charity number 313070

REFERENCE AND ADMINISTRATIVE INFORMATION

Mission Statement	Deeply Christian, Serving the Common Good.	
Legal structure	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
Patron	Her Majesty Queen Elizabeth II	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Jonathan Frost, Bishop of Portsmouth	
Hon Treasurer	Revd Canon Peter Ballard	
Chief Education Officer	Revd Canon Nigel Genders	
Offices	Church House Great Smith Street London SW1P 3AZ	
Telephone	020 7898 1066	
Website	www.churchofengland.org/education	
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Bankers	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
Investment Managers	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
Solicitors	The Society uses a panel of solicitors who provide advice in line with their expertise.	

REFERENCE AND ADMINISTRATIVE INFORMATION

The Council who served during the year and as at 17 June 2025 are shown below.

Chair	Rt Revd Jonathan Frost, Bishop of Portsmouth (appointed 1 Jan 2024)	
Treasurer	Revd Canon Peter Ballard	
Other Council members	Name	Appointed / elected by
	Mrs Marion Plant	Archbishops of Canterbury and York
	Canon Rachel Howie	Archbishops of Canterbury and York
	Ms Sonia Thompson	Archbishops of Canterbury and York
	Canon Dr Addy Lazz-Onyenobi	General Synod
	Mrs Rosemary Lyon	General Synod
	Rt Revd Mary Stallard	Governing Body of Church in Wales
	Canon Simon Lloyd (resigned 30 May 2024)	Governing Body of Church in Wales
	Dr Grahame Davies (appointed 30 May 2024)	Governing Body of Church in Wales
	Mr Andrew Smith (resigned 14 March 2024)	Co-option
	Professor Jean-Noël Ezingear	Co-option
	Canon Christopher Penn (appointed 14 Jun 2024)	Co-option
Finance, Investment, Risk & Audit Committee	Revd Canon Peter Ballard (<i>Chair</i>) Ven. Douglas Dettmer Revd Canon Nigel Genders Canon Simon Lloyd (resigned 30 May 2024) Canon Rachel Howie Claire Thompson (appointed 1 Jun 2024)	
Nominations Committee	Revd Canon Peter Ballard (<i>Chair</i>) Mrs Marion Plant Revd Canon Nigel Genders	
Chief Education Officer	Revd Canon Nigel Genders	
Website	www.nse.org.uk	

Introduction

The National Society (Church of England and Church in Wales) for the Promotion of Education ("the National Society") is a Church of England and Church in Wales education service. It was founded by Royal Charter in 1811, with supplemental Charters in 1934, 1972, 1985, 1987, 1997 and 2015, to provide education for all, firmly based on the Christian Gospel and Anglican principles. The Charter states that:

"The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and in Wales and in any other part of the world where the Church of England or churches in communion with it may be at work. The investments and property and all of the income of the Society shall henceforth be applicable for the general purposes of the Society as herein stated."

The Trustees present their annual report and financial statements for the year ended 31 December 2024. The financial statements incorporate the National Society's trading subsidiary company, Church of England Educational Services Limited. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Charities SORP (FRS 102).

Structure, Governance & Management

Organisation and Decision Making

The National Society Council met four times during the year. One meeting was held in person, the remaining three being held remotely.

The Finance and Investment Committee, chaired by the Hon Treasurer, oversees the financial affairs of the Society. It has delegated powers from the Council to scrutinise accounts and make recommendations to the Council and has responsibility for the management of the Society's investments, receiving reports from the Society's brokers and authorising movement of funds.

The Nominations Committee oversees the appointments to the National Society Council. It meets only when required to fill a Council vacancy or to manage the 5-yearly reconstitution of the Council.

The Society's Solicitors maintained strong links with the Society.

The National Society is one of the National Church Institutions (NCIs) and draws on the expertise and resources of various central services including those relating to Finance & Resources, Human Resources, Office Services and IT, Publishing and the Church of England Records Centre.

Under the 2015 Charter, the National Society Council consists of the following members:

- a) The Chair, appointed by the Archbishops after consultation with the General Synod and Archbishops' Council Appointments Committee.
- b) The Chief Education Officer, appointed by the Chair (who will not be a Trustee, but will have right of attendance).
- c) The Treasurer, appointed by the Chair.
- d) Three Trustees appointed by the Archbishops of Canterbury and York after consultation with the General Synod and Archbishops' Council Appointments Committee
- e) Two Trustees appointed by the Governing Body of the Church in Wales
- f) Two Trustees elected by General Synod
- g) Up to three Trustees co-opted for their skills and expertise.

Structure, Governance & Management (continued)

Organisation and Decision Making (continued)

Under the Byelaws, apart from the 3 Co-Presidents, no person shall be capable of becoming a member of the Council if at the time of their nomination, appointment, election or co-option they have attained the age of seventy-two years.

Relationships

The Society has a number of relationships with other bodies through which it co-operates to provide a full range of services to Church Schools in England and Wales, together with international links as appropriate.

In particular, the Society works in close partnership with the Archbishops' Council in all matters relating to education. Some posts are jointly funded by the Society and the Archbishops' Council.

The Society acts as Custodian Trustee of St Christopher's Educational Trust (incorporating the Hughes and Stevens Bequest), and appoints three Governors, one of whom is the Chair. The Trust prepares its own accounts for approval by the Governors.

A number of other small trusts are administered by the Society following gifts during the nineteenth century. Separate accounts and Charity Commission returns are made for these trusts. The Society has links with other organisations nationally and internationally to enable it to provide services and resources to benefit the work of Christian Education.

Trustee Induction and Training

New Trustees receive full information on the legal basis of the Society and the powers and responsibilities of the Council and its members. The Council was newly constituted in 2015 and when re-constituted, all members of the Council received information about the objects and purposes of the Society.

Grant Making Policy

In general terms the National Society is not a grant making trust. However, from time to time the Society makes a limited number of grants to other bodies to enable those recipients to carry out specific work on behalf of the Society.

Risk Management

The Society keeps under review the risks to its work. The Society has the benefit of the expertise of the NCIs' Internal Auditors. Members of the Council review likely risk areas and policies adopted on a regular basis.

Risk area	Key mitigating strategies
Significant reduction in funds available to the Society, whether through poor investment returns or lack of demand for services, leading to failure to meet business plans and objectives	• Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio • Performance of fund managers are monitored by the Finance and Investment Committee • Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations • Regular review of business plan and objectives taking into account available resources
The Church schools network is out of sync with government education policy and the views or priorities of the wider Church, leading to a fragmented response and reduced resource	• Investment in good relationships with major stakeholders • Monitoring of government developments and responding to consultations as necessary • Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools • Regular reporting to General Synod and House of Bishops
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	• A pan-NCI business continuity plan is in place which encompasses IT disaster recovery • Business continuity contingency plans are tested with emergency contact systems to ensure systems work as expected and flag up any potential issues • The NCIs have achieved and maintained Cyber Essentials Plus certification demonstrating their effectiveness in protecting against the vast majority of common cyber attacks. Staff also receive regular mandatory cyber security training to ensure they are aware of how to handle cyber security attacks. • Since 2020, the National Society has become a fully remote team working across England and Wales, lessening the continuity of service risk and regional disruptions.
Failure to develop the Foundation work such that it is not sustainable	• Foundation well established through online community, successful national conference and regional networks • New NPQ programme bid was successful which will expand the reach of the Foundation

Objectives and Activities

The objects of the Society are the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales and in any other part of the world where the Church of England or churches in communion with it may be at work.

The original aim of the National Society, as expressed in its name, was the 'promotion of the education of the poor', and the continuing aim of the Society is to provide education to enable the flourishing of children and young people in England and Wales.

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit.

Achievements and Performance

The National Society supports the mission of the Church of England and Church in Wales in line with the Church of England's role as the largest single provider of education in England and as the established Church, as well as supporting the development of the Church in Wales's work in education through its Church schools. It oversees the work of the Church of England Education Office on behalf of both the Archbishops' Council and the National Society recognising the priorities and objectives of the Archbishops' Council and offers support to the provincial director of Education in Wales in relation to Education matters in Wales. The National Society's strategic plan is summarised as follows:

The National Society serves the Church's ministry with children and young people in schools, colleges and universities by:

- i. **Developing leaders** who are called, connected and committed to a vision for education which is deeply Christian, serving the common good*
- ii. **Shaping policy** to promote high quality education for all, particularly the poorest and most disadvantaged*
- iii. **Growing faith** amongst children and young people through churches, schools/colleges and households*

The Society's vision continues to be underpinned by the Church of England Vision for education: deeply Christian, serving the common good, expressed through our key values of: wisdom, knowledge and skills; hope and aspiration; community and living well together; dignity and respect. Church schools continue to play a vital role at the heart of their communities.

With over one million students attending 4,800 schools in England and Wales, the National Society's responsibility is to advance the breadth of work across parishes, Diocesan Boards of Education, schools, colleges and Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world.

Since its publication in 2016, the Church of England Vision for Education, Deeply Christian, Serving the Common Good, has provided the underpinning rationale for the unique role and purpose of the National Society in the wider education system. Through bringing together theology, pedagogy and leadership thinking, it sought to offer the sector a clear understanding of the 'why' of education, not simply the 'what'. Our 2016 Vision for Education has been worked out in a number of key practical ways at a national level including:

- the underpinning of the SIAMS Section 48 inspection framework and the national integration of our inspection processes for all schools
- the development of the Church of England Foundation for Educational Leadership, and its wide range of programmes, networks, research, resources and events
- the voice of key policy development work with local, regional and national stakeholders (including work on small schools, Further Education, Higher Education, Religious Education, Collective Worship, Belonging & Inclusion, Racial Justice and Environment)
- the creation of the Growing Faith Foundation seeking to build strategic partnerships between church, school and household

- the prioritisation of young people at heart of the Church of England's mission through the integration of the Archbishops' Young Leaders Award and National Younger Leadership Groups.

The Church of England and Church in Wales have been providing free education to the children of our nation for generations and especially since the formation of The National Society in 1811. This visionary early nineteenth century movement of educational leadership was centred on social justice, access for all, and a deep investment in the flourishing of children, adults and communities through the transformational power of education, free at the point of access. Our schools now educate over one million children, around 20% of the country's education provision, and we will continue to play this central role in the sector for generations to come.

2024 activities

Our Hope for a Flourishing Schools System is centred on a renewed commitment to the four core principles of that vision. This is a vision for education, not just for Church schools, and the National Society has continued to embrace vibrant partnerships with all major education institutions and sector bodies, and are grateful for continued strategic conversations and co-construction of the landscape with others. In September 2024 we published *Flourishing Together* as a joint publication with the Catholic Education Service and the Confederation of School Trusts, a landmark publication bringing these three organisations together for the first time to set out our combined hope and aspiration for the entire school system.

Developing Leaders

Flourishing Together and *Our Hope for a Flourishing School System* have led to the continued growth of our leadership development offer. The Flourishing Trusts Network has continued to gather momentum and, alongside the partnership with Diocesan Boards of Education and the work of diocesan education teams, plays a significant role on our ability to shape policy and develop leaders.

Throughout 2024 the National Society has been ensuring our partnerships and engagement strategy secures the participants needed for National Professional Qualifications (NPQs), the development of a new proposed Flourishing Leaders Programme, and the continued growth of our networks for leaders at all levels, including the development of the Growing Faith Foundation.

In 2024 we consolidated our offer as a lead provider of NPQs recruiting 4000 participants to our programmes. The National Society's role as a lead provider is subject to external inspection by Ofsted and in June 2024 our full inspection concluded that "Participants benefit greatly from the exceptional training they receive from highly skilled and expert trainers, facilitators and coaches... This enables participants to develop as leaders in their current roles and prepares them extremely well for their next stage of career progression. The Church of England's vision of establishing a 'common good' for the whole community is at the centre of the lead provider's work. Not only does the training develop a participant's leadership knowledge and skills, but it provides them with highly valuable opportunities to reflect on how to carry out their work ethically and morally... As a result, participants flourish as leaders."

Our leadership development work is not solely focussed on NPQs and we have developed an additional offer for a whole suite of Flourishing Leaders Programmes which will be introduced in 2025.

The Council has continued to invest in the systems and infrastructure required to run this leadership development programme at scale and the staff team has grown accordingly. But given the ongoing uncertainty about future provision and scale of provision of NPQs in the coming years, not least given the prospect of a new spending review, new appointments have been made as fixed-term contracts to ensure the Society can manage risk and ensure capacity and flexibility to further its agile approach to the development of our team.

Shaping Policy (Schools, FE and HE)

The fact that the Church of England and Church in Wales provide a quarter of all primary schools and is a statutory provider for 1 million children and young people enables us to have a voice on a range of policy areas. The policy work is a vital element of our core business.

With a new government comes new ideas and focus for activities, but through the period of transition and as new policy areas take shape, the Society has continued to work positively in partnership with the government to ensure that landscape and context for education is one in which Church schools can continue to thrive and make their valuable contribution for the common good. The chief education officer is a member of the new 'Improving Education Together' Board established by the Department for Education and the rest of the policy team are able to play an effective role in contributing to the working groups and sub committees of this board, ensuring that the National Society's voice is heard. Through all of this the National Society has continued to develop a reputation of being trusted partners with the DfE in the development of education policy.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work and the National Society worked with the wider RE community and has endorsed the exemplar content within the National Content Standard, offered as a benchmark and not as a syllabus or an approach to RE. The core standard is consistent with our own Statement of Entitlement for RE and contains an emphasis on fair and accurate representation of the religious and non-religious worldviews that are studied. Work now continues in response to the new government's curriculum and assessment review to ensure that the vital role of RE is fully understood and the specific contribution it makes in the context of a Church school is secured.

Our work on equity, diversity and inclusion continues to strengthen. The Archbishops' Council and Racial Justice Commission have funded a range of educational activities in this area, especially focusing on the promotion of Christianity as a global world faith, with new modules being developed to ensure that Understanding Christianity is taught in a way that recognises Christianity's breadth and impact across different cultures and traditions. In 2024 we continued to provide our Leaders Like Us programme which seeks to equip UKME/GMH school leaders for the future. The first three cohorts of this programme have seen over 120 such leaders involved and it continues to be incredibly well received and valued for the impact it is making.

The commitment to achieving Net Zero Carbon across the church's estate has been embraced by the National Society in relation to Church schools. The National Society has inspired and encouraged Church schools to sign up to a vision of Net Zero Carbon schools for the benefit of the whole school community, to conserve the environment and to enable the planet to flourish for future generations. We are encouraging schools to take ownership of the zero carbon target by making a declaration from the governing body or academy board. To assist with making a declaration we are working with the 'Let's Go Zero' campaign by Ashden Climate Solutions, this campaign aims to help all schools to get to zero carbon by 2030.

Schools and Diocesan Boards of Education that hold capital funding, are required to maximise the use of resources such as the Department for Education's Good Estate Management guide and toolkits. This will help to establish a clear 'Estates Vision and Strategy' to work toward achieving year on year reductions in emissions. There are also organisational assessment tools to assess the school's current approach and consumption of resources which will help to motivate action planning focused on decarbonising the estate.

To support schools identify energy efficient measures we have created a Practical Path to Net Zero with actions and quick wins for all school estates. Schools are also encouraged to install and utilise data from smart meters. Schools should also consider using the free online energy analysis tool and energy education programme from Energy Sparks. This programme is specifically designed to help schools reduce their electricity and gas usage through the analysis of smart meter data. Energy Sparks helps pupils and the wider school community to reduce their school's carbon emissions and make a real contribution to addressing the 'climate emergency'. Participating schools are supported with online training, energy audits and education workshops.

The National Society continues to develop its aspirations to engage in Further Education (FE) and 2024 saw the launch of a strategic relationship between MATs and FE/HE providers for the delivery of apprenticeships for the many non-teaching staff that schools depend on for their successful operation. This partnership, along with our work on Flourishing Leaders Programmes which is being developed for an FE context as well, continues to build our connections with FE in a way that enables FE colleges to be more closely associated with the Church of England.

The Church's contribution to Higher Education, especially through its Anglican foundation universities, continues to be a focus of policy work. This is particularly important in connection to the significant role these universities play in the training of teachers.

Statutory Inspection of Anglican and Methodist Schools (SIAMS)

The national delivery of SIAMS has continued to prove a valuable resource for the National Society and dioceses alike, as we continue to promote and inspect the important connection between school vision, curriculum, worship, and spiritual development for the flourishing of children and adults. SIAMS brings renewed focus to the theological underpinning of Christian vision for a school. The transition to framework which continues to make judgements about the way the Christian character of the school drives the quality of education and enables children to flourish, but no longer summarises this with single word grade, has been extremely well received, with over 98% of feedback being incredibly affirming about the rigour and approach of inspection carried out in a Christian manner.

Growing Faith

Our vision for Growing Faith has always been one of influencing wider cultural change within the church so that faith development amongst children and young people is something which embraces the whole of life and where, through partnership between church and school, the role of faith in the home is seen as vitally important. Having led the conversation on such a culture change, the National Society's Growing Faith Foundation, is making a massive impact through the development of programmes, networks and research.

The Growing Faith Foundation strategic leaders programme provides an opportunity for leaders and aspiring leaders from a range of settings to learn and grow together. With a sharp focus on children and young people, participants are invited not only to explore their leadership competencies and capacities, but to explore how their leadership impacts their own communities and contexts.

Growing Faith Learning Hubs are centres of innovation, where schools/churches are resourced to further embed creative practices that build the strategic partnership between school, church and home. Hubs are creative spaces where people are encouraged to try imaginative approaches as we seek to double the number of children and young active disciples in the Church of England by 2030.

The networks are diverse and varied and include a network for the parachurch organisations; an Estates Ministry network; Listening and responding to the voice of children and young; Serving the local school; In development are: Developing a parent-discipling community; Hubs working together; Toddler group leaders; Home Educators and Growing Faith; Developing a Christian Vision for School together; Ordinands for Growing Faith; Youth Workers for Growing Faith; Chaplaincy and Growing Faith; Outdoor church network.

Research is a fundamental part of the Growing Faith Foundation's work and during 2024 the Foundation has been supporting projects with researchers from across the country to discover more about what is happening in the intersections between church, home and school.

The way dioceses, churches and schools are embracing this work suggests that the culture change is happening and there seems a real determination to prioritise mission and ministry with children and young people in churches, schools and homes.

40 pilots of our FLOURISH network of worshipping communities in schools launched in 2024. Funded through a grant from the Archbishops' Council, this project is catalysing a movement of ministry with children and young people through greater connection between church and school.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the Growing Faith Foundation and the National Society. There are Growing Faith Foundation networks focused on this and we continue to provide national younger leadership groups in Primary and Secondary schools across the country.

Partnership with the Church in Wales

The National Society's work in partnership with the Church in Wales continues to develop, with funding for research into the possibilities of opening new Church in Wales Schools, as well as continued development of proposals for within the three broad themes of Developing Leaders, Shaping Policy and Ministry Development in Schools as part of the wider mission of the Church in Wales or Growing Faith as it is known in the Church of England. This will ensure schools

understand what it is to part of the family of the Church in Wales and to place children and young people firmly at the heart of our mission to grow a younger Church.

Operational Infrastructure

As the National Society has grown, we have given attention to the way all of our work is communicated and how the management of our finances and other core service operations are facilitated. This needs to be done in a way that enables the Society to be effective stewards of its resources and future plans. As a result of this work, the Council has created a clearer brand identity, logo family and website for all of our work. It has also moved its Finance services in-house to the National Society through purchase of appropriate accounting software and the creation of a small Finance Team within the Operations Team. This work was carried out very effectively in 2024, on time and under budget and has been implanted in 2025.

Future plans

With a bold vision for Flourishing in education, the National Society will continue to prioritise its threefold aim of developing leaders, shaping policy and growing faith, recognising that the educational landscape continues to face considerable pressure. Where there are few flourishing adults there will be few flourishing children so we continue to focus on the development of programmes for flourishing teachers and flourishing leaders as they seek to bring transformational education to the children and young people we serve.

Financial Review

Summary of Results

Total consolidated income for the year was £9,997,069, being an increase of £4,218,872 on the previous year (2023: £5,778,197). Total consolidated expenditure for the year was £9,359,780, an increase of £3,520,797 on the previous year (2023: £5,838,983). Net income for the year was £637,289 before total investment losses of £151,691 (2023: Net expenditure of £60,786 before total investment gains of £31,745). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a profit of £173,746 (2023: a profit £583,836), with a turnover of £5,055,067 (2023: £3,878,421) and total expenditure of £4,881,321 (2023: £3,294,585).

Investment Strategy, Powers and Restrictions

The Society's Investment Strategy reflects the long-term nature of the enterprise. With the help of expert professional advisers, reserves are invested in a mixed portfolio of equities, fixed interest securities and property. Ethical considerations are taken into account and the Society follows the advice given by the Church of England Ethical Investment Advisory Group. The investment objective is to maintain the real value of the Society's assets while securing a steady growth in investment income. Both the requirement of prudence and the need for a reliable income flow prompts the Society to invest for "value" rather than "growth".

Investment Performance

2024 was a more resilient year for global and UK markets compared with 2023, with falling inflation rates and more political stability than had been experienced in the previous year. Total stocks and shares investment income increased by £32,315 to £476,459 in 2024, representing an income yield of 4.2% in 2023 (2023: 3.9%). Total losses on stocks and shares investments was £151,691 (2023: gains of £210,387).

During the year the Society has reassessed the value of its investment properties and has determined that there has been no change in their value therefore valuations remain in line with the prior year.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2024 and as a voluntary body the Society relies on investment income, conference and course fees, Diocesan contributions, donations, and legacies to fund its normal activities.

Reserves Policy

At 31 December 2024, the Society held total reserves of £14,136,560 of which £1,343,747 was held in restricted funds. Unrestricted reserves totalled £12,792,813 of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £12,792,813.

The Society's target is to hold between 3 and 6 months of unrestricted expenditure (along with a £400,000 buffer to reflect the fact that the trading subsidiary has not been profit making in previous years), as free reserves excluding unrestricted investment balances. This equates to between £2.3m and £4.7m. The current balance is above these parameters and the trustees will review the reserves policy during the year to ensure that it remains fit for the Society's purposes.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary CEES, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, maintaining synchronisation between the Church Schools network with government education policy and the wider Church, IT and cyber resilience, and development of Foundation work by the Society and its subsidiary.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Staff remuneration and executive pay

All the staff of the National Society are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

The roles of the Chief Executive and Executive Director of Education sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

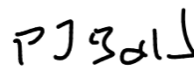
- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice.
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was authorised for issue by the Council on 17 June 2025 and signed on its behalf by:



Rt Revd Jonathan Frost
Chairman
17 June 2025



Revd Canon Peter Ballard
Honorary Treasurer
17 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Opinion

We have audited the financial statements of The National Society (Church of England and Church in Wales) for the Promotion of Education ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2024 and of the group's income and expenditure, 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 Charities Act 2011.

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 charity / group 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 trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

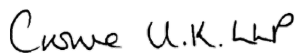
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor

London

Date 22 July 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated		Unrestricted Funds	Restricted Funds	2024 Total	Unrestricted Funds	Restricted Funds	2023 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies	2	303,584	3,001,057	3,304,641	2,980	726,300	729,280
Charitable activities	3	-	1,106,200	1,106,200	1,550	660,525	662,075
Other trading activities		5,055,067	-	5,055,067	3,878,421	-	3,878,421
Investments	4	522,835	6,014	528,849	493,390	8,307	501,697
Other income	5	312	2,000	2,312	2,566	4,158	6,724
Total income		5,881,798	4,115,271	9,997,069	4,378,907	1,399,290	5,778,197
Expenditure on:							
Raising funds		42,347	-	42,347	42,126	-	42,126
Charitable activities	6	691,361	3,756,034	4,447,395	1,254,654	1,251,996	2,506,650
Other trading expenditure		4,870,038	-	4,870,038	3,290,207	-	3,290,207
Total expenditure		5,603,746	3,756,034	9,359,780	4,586,987	1,251,996	5,838,983
Net expenditure before (losses)/gains on investments		278,052	359,237	637,289	(208,080)	147,294	(60,786)
(Losses)/gains on investments	12	(151,691)	-	(151,691)	31,745	-	31,745
Net expenditure		126,361	359,237	485,598	(176,335)	147,294	(29,041)
Transfers between funds		(127,533)	127,533	-	-	-	-
Net movement in funds		(1,172)	486,770	485,598	(176,335)	147,294	(29,041)
Total funds at 1 January		12,793,985	856,977	13,650,962	12,970,320	709,683	13,680,003
Total funds at 31 December:		12,792,813	1,343,747	14,136,560	12,793,985	856,977	13,650,962

The balances for both financial years relate to continuing operations.

The notes 1 to 17 form part of these Financial Statements

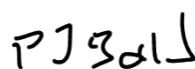
CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2024

		Group		Charity	
		2024	2023	2024	2023
		Total	Total	Total	Total
	Notes	£	£	£	£
Fixed assets					
Investment property	12	1,763,108	1,763,108	1,763,108	1,763,108
Investments	12	11,224,971	11,349,720	11,225,071	11,349,720
		<u>12,988,079</u>	<u>13,112,828</u>	<u>12,988,179</u>	<u>13,112,828</u>
Current assets					
Debtors	13	2,834,160	1,045,509	2,467,875	633,899
Cash & cash equivalents		1,197,545	988,452	434,166	233,100
		<u>4,031,705</u>	<u>2,033,961</u>	<u>2,902,041</u>	<u>866,999</u>
Current liabilities					
Creditors: amounts falling due within one year	14	(2,490,148)	(1,495,827)	(1,572,410)	(501,247)
		<u>1,541,557</u>	<u>538,134</u>	<u>1,329,631</u>	<u>365,752</u>
Net current assets					
Non-current liabilities					
Creditors: amounts falling due after one year	14	(393,076)	-	(393,076)	-
		<u>14,136,560</u>	<u>13,650,962</u>	<u>13,924,734</u>	<u>13,478,580</u>
Total net assets					
The funds of the charity:					
Restricted funds		1,343,747	856,977	1,343,747	856,977
Unrestricted funds:					
. Designated funds		1,022	1,022	1,022	1,022
. General funds		12,791,791	12,792,963	12,579,965	12,620,581
Total funds	15	<u>14,136,560</u>	<u>13,650,962</u>	<u>13,924,734</u>	<u>13,478,580</u>

The notes 1 to 19 form part of these Financial Statements

Approved and authorised for issue by the Council on 17 June 2025 and signed on its behalf by:





Rt Revd Jonathan Frost
Chairman
17 June 2025

Revd Canon Peter Ballard
Honorary Treasurer
17 June 2025

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Net income / (expenditure) for the year (as per the statement of financial activities)		485,598	(29,041)
Investment income	4	(528,849)	(501,697)
Losses / (gains) on investments	12	151,691	(210,387)
Increase in creditors	14	1,387,397	619,770
Increase in debtors	13	(1,788,651)	(337,932)
Net cash flow used in operating activities		(292,814)	(459,287)
Cash flows from investing activities			
Investment income received	4	528,849	501,697
Purchase of investments	12	(1,516,984)	(441,032)
Sale of investments	12	1,570,810	488,356
Revaluation gain on investment property	12	-	178,642
Net cash flow provided by investing activities		582,675	727,663
Change in cash and cash equivalents in the year		289,861	268,376
Cash and cash equivalents at 1 January 2024		1,000,017	731,641
Cash and cash equivalents at 31 December 2024		1,289,878	1,000,017
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,197,545	988,452
Cash held by investment managers	12	92,333	11,565
		1,289,878	1,000,017

The Society has no debt and therefore the reconciliation in cash and cash equivalents also represents the analysis of changes in net debt.

The notes 1 to 19 form part of these Financial Statements.

1. ACCOUNTING POLICIES

The financial statements have been prepared 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The National Society meets the definition of a public benefit entity under FRS 102.

The National Society has taken advantage of the exemption in FRS102 from the requirement to prepare a Charity cash flow statement.

The subsidiary company has been consolidated on a line-by-line basis.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, maintaining synchronisation between the Church Schools network with government education policy and the wider Church, IT and cyber resilience, and development of Foundation work by the Society and its subsidiary.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Income

Income is recognised in the period in which the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and the amount can be measured reliably and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and basis of allocation of costs

Expenditure, including the related irrecoverable VAT, is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Most costs are directly attributable to specific activities. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs & administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been apportioned on the basis of time spent on various activities.

1. ACCOUNTING POLICIES (continued)

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the statement of financial activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The National Society participates in two pension schemes for the benefit of its employees - the Defined Benefit Pension Scheme (DBS), which is one section of the Church Workers Pension Fund and the Church Administrators Pension Fund which is split into two sections. For employees who joined before 1 July 2006 there is a Defined Benefits Section and for those joining after that date there is a Money Purchase Section. For further details please see note 9.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The National Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Investment properties:

The Society carries its investment properties at fair value being recognised in the Statement of Financial Activities. See note 10 for more information.

Expenditure allocations:

Expenditure is apportioned where it relates to more than one cost category (see note 6).

Value of creditors due after one year:

A judgement is applied in determining the appropriate discount rate to apply. The discount rate applied uses the Bank of England spot curve data to calculate the expected future cashflows earmarked for making these grant payments.

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	2024	2023
	£	£	£	£
Flourish Grants	-	2,530,816	2,530,816	-
Growing Faith Grants	-	468,241	468,241	463,425
Other grants and donations	303,584	2,000	305,584	265,855
Total	303,584	3,001,057	3,304,641	729,280

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2024	2023
	£	£	£	£
Section 48 inspections	-	852,400	852,400	407,925
Diocesan contribution	-	253,800	253,800	254,150
Total	-	1,106,200	1,106,200	662,075

4. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2024	2023
	£	£	£	£
Interest receivable	12,626	6,014	18,640	12,553
Dividends receivable	476,459	-	476,459	444,144
Rents receivable	33,750	-	33,750	45,000
Total	522,835	6,014	528,849	501,697

5. OTHER INCOME

	Unrestricted funds	Restricted funds	2024	2023
	£	£	£	£
Other income	-	2,000	2,000	6,334
Royalties received	312	-	312	390
Total	312	2,000	2,312	6,724

6. ANALYSIS OF CHARITABLE EXPENDITURE

	Grants Awarded Note 7	Direct costs £	Support costs Note 8 £	2024 £	2023 £
Shaping Policy	-	1,857,104	67,782	1,924,886	1,465,285
Developing Leaders	-	9,461	156,532	165,993	539,096
Growing Faith Foundation	<u>1,829,912</u>	<u>494,796</u>	<u>31,808</u>	<u>2,356,516</u>	<u>502,269</u>
Total	<u>1,829,912</u>	<u>2,361,361</u>	<u>256,122</u>	<u>4,447,395</u>	<u>2,506,650</u>

7. GRANT MAKING

Long-term grant funding is discounted to reflect the net present value of future payments. The discount rate used varies based on the time until the creditor is due to be settled.

	2024 £	2023 £
Growing Faith Foundation - Hub Grants (to 24 institutions)	130,000	-
Growing Faith Foundation - Research Grants (to 2 institutions and 4 individuals)	8,602	-
Growing Faith Foundation - Project Grants (5 institutions (2023: to 29 institutions))	17,651	210,713
Growing Faith Foundation - Flourish Grants (12 institutions)	<u>1,707,445</u>	-
Total awarded before discounting	<u>1,863,698</u>	<u>210,713</u>
<i>Discounting adjustment</i>	<u>(33,786)</u>	-
Total awarded	<u>1,829,912</u>	<u>210,713</u>

a) Flourish

In 2024, the National Society launched a network of 40 new worshipping communities, building on the strategic partnerships created between church, school, and home and inspired by the impact of the Growing Faith Foundation. This new FLOURISH network will introduce new worshipping communities through churches partnering with primary schools, secondary schools, and FE college settings across 12 Dioceses (Bath and Wells, Birmingham, Bristol, Chester, Derby, Lichfield, Peterborough, Portsmouth, Salisbury, Southwark, Southwell & Nottingham, and Truro) during an initial two-year pilot programme. As part of the pilot, 200 adult leaders from schools, colleges, and churches, and 800 young leaders from the schools and colleges, will receive training and development.

	2024 £	2023 £
<i>Awarded to the following institutions:</i>		
Bath & Wells DBF	160,145	-
Birmingham DBF	84,000	-
Bristol DBF	92,000	-
Chester DBF	168,000	-
Derby DBF	84,000	-
Lichfield DBE	126,000	-
Peterborough DBF	184,000	-
Portsmouth DBF	176,000	-
Salisbury DBF	191,300	-
Southwark DBF	142,000	-
Southwell & Nottingham DBF	150,000	-
Truro DBF	<u>150,000</u>	-
Total awarded before discounting	<u>1,707,445</u>	-
<i>Discounting adjustment</i>	<u>(33,786)</u>	-
Total awarded	<u>1,673,659</u>	-

8. ANALYSIS OF SUPPORT COSTS

	2024	2023
	£	£
Staff costs	-	209,037
Shared service costs	71,152	94,069
Archiving costs	37,552	31,642
Office rent	14,101	21,451
Audit fees	7,482	27,900
Committee expenses	61,911	19,968
Legal fees	9,720	38,254
Trustees' indemnity insurance	1,019	-
Other	53,185	40,946
Total	256,122	483,267

All support costs are allocated to charitable activities because any allocation between raising funds and charitable activities is immaterial.

Included in total committee expenses is £1,088 (2023: £1,349) which had been met or reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,019 was paid by the Society (2023: £1,083 was paid by the Church of England Educational Services Limited on behalf of Society). The Honorary Treasurer has chosen not to draw an honorarium.

9. STAFF COSTS

The cost of staff employed by the National Society for the year ended 31 December 2024 is as below:

	2024	2023
	£	£
Gross salaries	2,291,058	1,768,462
National insurance	253,116	192,974
Pension costs	292,475	216,420
Total	2,836,649	2,177,856

	2024	2023
Average headcount	55	45

Included within these costs is £nil (2023: £nil) termination costs in relation to zero (2023: zero) employees. The charity considers its key management personnel to consist of the Chief Education Officer, the Executive Director of Education, the Director of SIAMS, the Head of Operations and the Head of Professional Learning. During the year the National Society contributed £477,410 (2023: £436,680) in relation to its share of their employee benefits. There were 3 employees (2023: 4 employees) who were paid between £60,001 and £70,000, and 4 employees (2023: 2 employees) who were paid between £70,001 and £80,000 in relation to work carried out for the National Society.

10. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2024	2023
	£	£
Turnover	5,055,067	3,878,421
Cost of sales and administration expenses	(4,881,321)	(3,294,585)
Profit before taxation	173,746	583,836
Tax on profit	-	-
Charitable donation	(134,207)	-
	2024	2023
	£	£
Current assets	1,182,122	1,168,538
Creditors	(970,200)	(996,154)
Net assets	211,922	172,384
Capital and reserves		
Called up share capital	100	100
Profit and loss account	211,822	172,284
Total shareholder's funds	211,922	172,384

Church of England Educational Services Limited is a trading subsidiary incorporated in England and Wales where the National Society own all 100 £1 ordinary shares. It undertakes a similar activity to the parent. A summary of the trading results are shown above. Audited financial statements have been filed with the Registrar of Companies. The distributable net profit has now been distributed to the National Society as a charitable donation under gift aid.

11. PENSIONS

The National Society participates in two separate pension schemes operated by the Church of England Pensions Board:- the Church of England Defined Benefit Pension Scheme (DBS) (which is one section of the Church Workers Pension Fund) and the Church Administrators Pension Fund which is split into two sections, a defined benefits section and a money purchase section.

Church of England Defined Benefit Pension Scheme (DBS)

This is part of the Church Workers Pension Fund and is operated in respect of staff who joined The National Society before 1 January 2000.

The National Society is unable to identify its share of the underlying assets and liabilities of the DBS as each participating employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and The National Society's future contribution rate was revised with effect from 1 April 2012 and a deficit recovery plan was introduced from the same date. The last fund valuation carried out yields an estimated outstanding deficit at 31 December 2016 of £26,700. Investigations carried out since the last report have identified that some employees previously identified as employees of the National Society were employed under the joint employer arrangements operated by the National Church Institutions (NCIs).

Church Administrators Pension Fund (CAPF)

The Defined Benefit Section is for members who joined the Fund before 1 July 2006. Each participating employer in the section pays contributions at a common contribution rate applied to their members' Pensionable Salaries.

The Defined Benefit Section is considered to be a multi-employer, last man standing defined benefit pension scheme, as described in Section 28 of FRS 102. The Employer is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. 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.

A valuation of this section is carried out every three years, the most recent having been at 31 December 2019. This revealed a deficit of £9.1m. Following the valuation, the employers have collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries with effect from 1 January 2021. The NCI's as a whole have assumed responsibility for the Society's CAPF DB deficit contributions and therefore there is no liability for the Society.

12. INVESTMENTS

Group	Property £	Investments £	2024 £	Property £	Investments £	2023 £
Market value at 1 January	1,763,108	11,338,155	13,101,263	1,941,750	11,175,092	13,116,842
Disposals	-	(1,570,810)	(1,570,810)	-	(488,356)	(488,356)
Acquisitions	-	1,516,984	1,516,984	-	441,032	441,032
(Loss)/gain on revaluation	-	(151,691)	(151,691)	(178,642)	210,387	31,745
Market value at 31 December	1,763,108	11,132,638	12,895,746	1,763,108	11,338,155	13,101,263
Cash held by investment manager	-	92,333	92,333	-	11,565	11,565
Total investment balances	1,763,108	11,224,971	12,988,079	1,763,108	11,349,720	13,112,828
 Historical cost at 31 December	 30,327	 7,934,424	 7,964,751	 30,327	 8,333,451	 8,363,778

12. INVESTMENTS (continued)

All investment assets were held in the United Kingdom. The trustees consider that there are three material investment holdings at 31 December 2024:

	2024	2023
	£	£
CCLA CBF Investment Fund	1,227,547	1,200,079
CCLA CBF Property Fund	841,140	836,494
CCLA CBF Global Equity Income Fund	376,968	354,763

	Unlisted investments	Property	Investments	2024
Charity	£	£	£	£
Market value at 1 January 2024	100	1,763,108	11,338,155	13,101,363
Disposals	-	-	(1,570,810)	(1,570,810)
Acquisitions	-	-	1,516,984	1,516,984
(Loss)/gain on revaluation	-	-	(151,691)	(151,691)
Market value at 31 December 2024	100	1,763,108	11,132,638	12,895,846
Cash held by investment manager	-	-	92,333	92,333
Total investment balances	100	1,763,108	11,224,971	12,988,179
Historical cost at 31 December	100	30,327	7,934,424	7,964,851

	Unlisted investments	Property	Investments	2023
Charity	£	£	£	£
Market value at 1 January 2023	100	1,941,750	11,175,092	13,116,942
Disposals	-	-	(488,356)	(488,356)
Acquisitions	-	-	441,032	441,032
(Loss)/gain on revaluation	-	(178,642)	210,387	31,745
Market value at 31 December 2023	100	1,763,108	11,338,155	13,101,363
Cash held by investment manager	-	-	11,565	11,565
Total investment balances	100	1,763,108	11,349,720	13,112,928
Historical cost at 31 December 2023	100	30,327	8,371,010	8,401,437

Unlisted investments are as below:

	Registered Office	Class of shares held	Holding direct	Nature of business
Church of England Educational Services	England	Ordinary	100%	Education

13. DEBTORS

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
<i>Amounts due within one year:</i>				
Prepayments & accrued income	677,574	279,242	314,693	52,814
Trade debtors	253,466	766,267	197,600	579,510
Grant receivable - Flourish	1,903,120	-	1,903,120	-
Amounts due from subsidiary	-	-	52,462	1,575
	<u>2,834,160</u>	<u>1,045,509</u>	<u>2,467,875</u>	<u>633,899</u>

14. CREDITORS

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
<i>Amounts due within one year:</i>				
Accrued expenditure	915,403	800,448	267,299	105,997
Grants payable - Flourish	844,722	-	844,722	-
Other taxation and social security	205,968	220,522	(550)	-
Deferred income	488,605	304,625	432,600	304,625
Trade creditors	7,113	149,776	-	70,172
Other creditors	28,337	20,456	28,339	20,453
	<u>2,490,148</u>	<u>1,495,827</u>	<u>1,572,410</u>	<u>501,247</u>
<i>Amounts due after one year:</i>				
Grants payable - Flourish	426,862	-	426,862	-
Discounting adjustment	(33,786)	-	(33,786)	-
	<u>393,076</u>	<u>-</u>	<u>393,076</u>	<u>-</u>
Total creditors	<u>2,883,224</u>	<u>1,495,827</u>	<u>1,965,486</u>	<u>501,247</u>

Reconciliation of deferred income

	2024
	£
Deferred at 1 January 2024	304,625
Released during the year	(304,625)
Deferred during the year	447,744
Deferred at 31 December 2024	<u>447,744</u>

£432,600 (2023: £304,625) was deferred during the year in respect of SIAMS inspections planned for 2025, and £15,144 (2023: nil) was deferred in respect of 2025 conference fees paid in advance.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2024 are represented by:

	Unrestricted funds	Restricted funds	2024	Unrestricted funds	Restricted funds	2023
Group	£	£	£	£	£	£
Fixed assets	12,988,079	-	12,988,079	13,112,828	-	13,112,828
Current assets	2,294,882	1,736,823	4,031,705	1,176,984	856,977	2,033,961
Current and non-current liabilities	(2,490,148)	(393,076)	(2,883,224)	(1,495,827)	-	(1,495,827)
Total net assets	12,792,813	1,343,747	14,136,560	12,793,985	856,977	13,650,962

	Unrestricted funds	Restricted funds	2024	Unrestricted funds	Restricted funds	2023
Charity	£	£	£	£	£	£
Fixed assets	12,988,179	-	12,988,179	13,112,828	-	13,112,828
Current assets	1,165,218	1,736,823	2,902,041	10,022	856,977	866,999
Current and non-current liabilities	(1,572,410)	(393,076)	(1,965,486)	(501,247)	-	(501,247)
Total net assets	12,580,987	1,343,747	13,924,734	12,621,603	856,977	13,478,580

Reconciliation of movements in unrealised gains on investment assets:

	Unrestricted funds	2024	Unrestricted funds	2023
Group	£	£	£	£
Unrealised gains at 1 January	4,779,475	4,779,475	4,720,869	4,720,869
Realised gains/(losses) in respect of disposals	(54,656)	(54,656)	26,861	26,861
	4,724,819	4,724,819	4,747,730	4,747,730
Net gain/(loss) arising on revaluations	(151,691)	(151,691)	31,745	31,745
Unrealised gains at 31 December	4,573,128	4,573,128	4,779,475	4,779,475
	Unrestricted funds	2024	Unrestricted funds	2023
Charity	£	£	£	£
Unrealised gains at 1 January	4,779,475	4,779,475	4,720,869	4,720,869
Realised gains/(losses) in respect of disposals	(54,656)	(54,656)	26,861	26,861
	4,724,819	4,724,819	4,747,730	4,747,730
Net gain/(loss) arising on revaluations	(151,691)	(151,691)	31,745	31,745
Unrealised gains at 31 December	4,573,128	4,573,128	4,779,475	4,779,475

16. UNRESTRICTED FUNDS

The movements on the unrestricted funds of the Charity and Group are as follows:

	Balance as at 1 January 2024	Income	Expenditure	Gains, losses and transfers	Balance as at 31 December 2024
	£	£	£	£	£
General Fund	12,792,963	5,881,798	(5,603,746)	(279,224)	12,791,791
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
Total	12,793,985	5,881,798	(5,603,746)	(279,224)	12,792,813

	Balance as at 1 January 2023	Income	Expenditure	Gains, losses and transfers	Balance as at 31 December 2023
	£	£	£	£	£
General Fund	12,969,298	4,378,907	(4,586,987)	31,745	12,792,963
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
Total	12,970,320	4,378,907	(4,586,987)	31,745	12,793,985

The designated funds are held for the following purposes:

SIAMS	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
Foundation project	This represented the unrestricted part of the Foundation Project which aims to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
SIAMS Development Fund	To fund systems and set up for national coordination of SIAMS inspections.
NPQ Development Fund	To fund systems and set up for the new range of NPQ programmes.

17. RESTRICTED FUNDS

The income funds of the Society include restricted funds for the Charity and Group comprising the following unexpended balances of grants held as funds to be applied for specific purposes:

	Balance as at 1 January 2024	Income	Expenditure	Transfers	Balance as at 31 December 2024
	£	£	£	£	£
Foundation	26,059	-	-	-	26,059
S48 School Inspections	91,680	1,116,214	(1,335,427)	127,533	-
RE, CW & Character Working Group	103,832	15,000	(15,695)	-	103,137
Fresh Voices	17,385	-	-	-	17,385
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	6,325	-	-	-	6,325
Resourcing School Worship	3,165	-	-	-	3,165
Big Story App	88,264	-	-	-	88,264
Growing Faith Foundation	242,505	480,113	(547,047)	-	175,571
Growing Faith - Flourish	-	2,503,944	(1,817,686)	-	686,258
Free Schools Project	17,951	-	-	-	17,951
Big Questions in the Classroom	237,607	-	(40,179)	-	197,428
	<u>856,977</u>	<u>4,115,271</u>	<u>(3,756,034)</u>	<u>127,533</u>	<u>1,343,747</u>

A transfer was made from the general fund to cover expenditure relating to the work of the Foundation in 2024.

	Balance as at 1 January 2023	Income	Expenditure	Transfers	Balance as at 31 December 2023
	£	£	£	£	£
Foundation	26,059	-	-	-	26,059
S48 School Inspections	189,457	668,832	(766,609)	-	91,680
RE, CW & Character Working Group	96,777	15,000	(7,945)	-	103,832
Fresh Voices	17,385	-	-	-	17,385
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	6,536	-	(211)	-	6,325
Resourcing School Worship	4,465	-	(1,300)	-	3,165
Big Story App	88,264	-	-	-	88,264
Growing Faith Foundation	184,648	533,788	(475,931)	-	242,505
Free Schools Project	17,951	-	-	-	17,951
Big Questions in the Classroom	55,937	181,670	-	-	237,607
	<u>709,683</u>	<u>1,399,290</u>	<u>(1,251,996)</u>	<u>-</u>	<u>856,977</u>

17. RESTRICTED FUNDS (continued)

The funds are held for the following purposes:

Foundation for Educational Leadership	Project to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
S48 School Inspections	Funding for school inspections required under Section 48 of the Education Act 2005.
RE, CW & Character Working Group	Funding to improve the quality of religious education in Church of England Schools.
Fresh Voices	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
Unlocking Gifts	Project to support Diocesan bids to raise school achievement.
Living Well Together Project	Project to provides a welcome first step to more collaborative working, for the common good of society.
CSoF: Church School of the Future	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
National Governance Resources	Funding for a suite of resources for school governance.
Resourcing School Worship	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
Valuing All God's Children	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
Free Schools Project	To support dioceses in the bidding process for the government's free schools project.
Admissions Builder	Creation of a new admissions platform.
Big Story App	Funding to develop digital resources for the Growing Faith Foundation.
Big Questions in the Classroom	Funding to run a Science and Belief research programme as part of the Big Questions in the Classroom project, working with our secondary schools network.
Growing Faith Foundation	Core funding of the new Growing Faith Foundation.

18. RELATED PARTIES

A number of the Trustees are employed by their local Diocese who work closely with the Charity in the course of normal charity operations.

19. TRUSTEESHIP

The National Society is the Trustee at 31 December 2024 for the following trusts:

Alton School Teachers House
 Knighton School
 Vaughan Trust
 Walcot School

Trusts transferred or closed by 31 December 2024 - None

The assets held on behalf of these trusts are held in the name of the National Society Trusts Funds and comprise:

	2024		2023	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	137,834	5,691	134,800
RBS Deposit Account	-	-	-	-
Lloyds Account	7,474	7,474	7,474	7,474
	<u>13,165</u>	<u>145,308</u>	<u>13,165</u>	<u>142,274</u>

Accounts

**The National Society
(Church of England and Church in Wales)
for the Promotion of Education**

Annual report and financial statements
for the year ended 31 December 2023

Registered Charity number 313070

REFERENCE AND ADMINISTRATIVE INFORMATION

Mission Statement	Deeply Christian, Serving the Common Good.	
Legal structure	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
Patron	Her Majesty Queen Elizabeth II	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Paul Butler, Bishop of Durham (until 31 December 2023) Rt Revd Jonathan Frost, Bishop of Portsmouth (from 1 January 2024)	
Hon Treasurer	Revd Canon Peter Ballard	
Chief Education Officer	Revd Canon Nigel Genders	
Offices	Church House Great Smith Street London SW1P 3AZ	
Telephone	020 7898 1066	
Website	www.churchofengland.org/education	
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Bankers	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
Investment Managers	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
Solicitors	The Society uses a panel of solicitors who provide advice in line with their expertise.	

REFERENCE AND ADMINISTRATIVE INFORMATION

The Council who served during the year and as at 14 June 2024 are shown below.

Chair	Rt Revd Paul Butler, Bishop of Durham (until 31 December 2023) Rt Revd Jonathan Frost, Bishop of Portsmouth (from 1 January 2024)	
Treasurer	Revd Canon Peter Ballard	
Other Council members	Name Mrs Marion Plant Canon Rachel Howie Ms Sonia Thompson Canon Dr Addy Lazz-Onyenobi Mrs Rosemary Lyon Rt Revd Mary Stallard Canon Simon Lloyd Revd Jeremy Fletcher (until 5 Jan 2023) Professor Jean-Noël Ezingear Mr Andrew Smith (until 24 March 2024)	Appointed / elected by Archbishops of Canterbury and York Archbishops of Canterbury and York Archbishops of Canterbury and York General Synod General Synod Governing Body of Church in Wales Governing Body of Church in Wales Co-option Co-option Co-option
Finance, Investment, Risk & Audit Committee	Revd Canon Peter Ballard (<i>Chair</i>) Ms Michelle Brissett (until 27 February 2023) Ven. Douglas Dettmer Revd Canon Nigel Genders Canon Carolyn Lewis (until 23 October 2023) Canon Simon Lloyd Canon Rachel Howie (from 1 January 2023)	
Nominations Committee	Revd Canon Peter Ballard (<i>Chair</i>) Mrs Marion Plant Revd Canon Nigel Genders	
Chief Education Officer	Revd Canon Nigel Genders	
Website	www.churchofengland.org/education	

Introduction

The National Society (Church of England and Church in Wales) for the Promotion of Education ("the National Society") is a Church of England and Church in Wales education service. It was founded by Royal Charter in 1811, with supplemental Charters in 1934, 1972, 1985, 1987, 1997 and 2015, to provide education for all, firmly based on the Christian Gospel and Anglican principles. The Charter states that:

"The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and in Wales and in any other part of the world where the Church of England or churches in communion with it may be at work. The investments and property and all of the income of the Society shall henceforth be applicable for the general purposes of the Society as herein stated."

The Trustees present their annual report and financial statements for the year ended 31 December 2023. The financial statements incorporate the National Society's trading subsidiary company, Church of England Educational Services Limited. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Charities SORP (FRS 102).

Structure, Governance & Management

Organisation and Decision Making

The National Society Council met four times during the year. One meeting was held in person, the remaining three being held remotely.

The Finance and Investment Committee, chaired by the Hon Treasurer, oversees the financial affairs of the Society. It has delegated powers from the Council to scrutinise accounts and make recommendations to the Council and has responsibility for the management of the Society's investments, receiving reports from the Society's brokers and authorising movement of funds.

The Nominations Committee oversees the appointments to the National Society Council. It meets only when required to fill a Council vacancy or to manage the 5-yearly reconstitution of the Council.

The Society's Solicitors maintained strong links with the Society.

The National Society is one of the National Church Institutions (NCIs) and draws on the expertise and resources of various central services including those relating to Finance & Resources, Human Resources, Office Services and IT, Publishing and the Church of England Records Centre.

Under the 2015 Charter, the National Society Council consists of the following members:

- a) The Chair, appointed by the Archbishops after consultation with the General Synod and Archbishops' Council Appointments Committee.
- b) The Chief Education Officer, appointed by the Chair (who will not be a Trustee, but will have right of attendance).
- c) The Treasurer, appointed by the Chair.
- d) Three Trustees appointed by the Archbishops of Canterbury and York after consultation with the General Synod and Archbishops' Council Appointments Committee
- e) Two Trustees appointed by the Governing Body of the Church in Wales
- f) Two Trustees elected by General Synod
- g) Up to three Trustees co-opted for their skills and expertise.

Structure, Governance & Management (continued)

Organisation and Decision Making (continued)

Under the Byelaws, apart from the 3 Co-Presidents, no person shall be capable of becoming a member of the Council if at the time of their nomination, appointment, election or co-option they have attained the age of seventy-two years.

Relationships

The Society has a number of relationships with other bodies through which it co-operates to provide a full range of services to Church Schools in England and Wales, together with international links as appropriate.

In particular, the Society works in close partnership with the Archbishops' Council in all matters relating to education. Some posts are jointly funded by the Society and the Archbishops' Council.

The Society acts as Custodian Trustee of St Christopher's Educational Trust (incorporating the Hughes and Stevens Bequest), and appoints three Governors, one of whom is the Chair. The Trust prepares its own accounts for approval by the Governors.

A number of other small trusts are administered by the Society following gifts during the nineteenth century. Separate accounts and Charity Commission returns are made for these trusts. The Society has links with other organisations nationally and internationally to enable it to provide services and resources to benefit the work of Christian Education.

Trustee Induction and Training

New Trustees receive full information on the legal basis of the Society and the powers and responsibilities of the Council and its members. The Council was newly constituted in 2015 and when re-constituted, all members of the Council received information about the objects and purposes of the Society.

Grant Making Policy

In general terms the National Society is not a grant making trust. However, from time to time the Society makes a limited number of grants to other bodies to enable those recipients to carry out specific work on behalf of the Society.

Risk Management

The Society keeps under review the risks to its work. The Society has the benefit of the expertise of the NCIs' Internal Auditors. Members of the Council review likely risk areas and policies adopted on a regular basis.

Risk area	Key mitigating strategies
Significant reduction in funds available to the Society, whether through poor investment returns or lack of demand for services, leading to failure to meet business plans and objectives	• Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio • Performance of fund managers are monitored by the Finance and Investment Committee • Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations • Regular review of business plan and objectives taking into account available resources
The Church schools network is out of sync with government education policy and the views or priorities of the wider Church, leading to a fragmented response and reduced resource	• Investment in good relationships with major stakeholders • Monitoring of government developments and responding to consultations as necessary • Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools • Regular reporting to General Synod and House of Bishops
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	• A pan-NCI business continuity plan is in place which encompasses IT disaster recovery • Business continuity contingency plans are tested with emergency contact systems to ensure systems work as expected and flag up any potential issues • The NCIs have achieved and maintained Cyber Essentials Plus certification demonstrating their effectiveness in protecting against the vast majority of common cyber attacks. Staff also receive regular mandatory cyber security training to ensure they are aware of how to handle cyber security attacks. • Since 2020, the National Society has become a fully remote team working across England and Wales, lessening the continuity of service risk and regional disruptions.
Failure to develop the Foundation work such that it is not sustainable	• Foundation well established through online community, successful national conference and regional networks • New NPQ programme bid was successful which will expand the reach of the Foundation

Objectives and Activities

The objects of the Society are the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales and in any other part of the world where the Church of England or churches in communion with it may be at work.

The original aim of the National Society, as expressed in its name, was the 'promotion of the education of the poor', and the continuing aim of the Society is to provide education to enable the flourishing of children and young people in England and Wales.

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit.

Achievements and Performance

The National Society supports the mission of the Church of England and Church in Wales in line with the Church of England's role as the largest single provider of education in England and as the established Church, as well as supporting the development of the Church in Wales's work in education through its Church schools. It oversees the work of the Church of England Education Office on behalf of both the Archbishops' Council and the National Society recognising the priorities and objectives of the Archbishops' Council and offers support to the provincial director of Education in Wales in relation to Education matters in Wales. The National Society's strategic plan is summarised as follows:

The National Society serves the Church's ministry with children and young people in schools, colleges and universities by:

- i. **Developing leaders** who are called, connected and committed to a vision for education which is deeply Christian, serving the common good*
- ii. **Shaping policy** to promote high quality education for all, particularly the poorest and most disadvantaged*
- iii. **Growing faith** amongst children and young people through churches, schools/colleges and households*

The Society's vision continues to be underpinned by the Church of England Vision for education: deeply Christian, serving the common good, expressed through our key values of: wisdom, knowledge and skills; hope and aspiration; community and living well together; dignity and respect. Church schools continue to play a vital role at the heart of their communities.

With over one million students attending 4,800 schools in England and Wales, the National Society's responsibility is to advance the breadth of work across parishes, Diocesan Boards of Education, schools, colleges and Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world.

Since its publication in 2016, the Church of England Vision for Education, Deeply Christian, Serving the Common Good, has provided the underpinning rationale for the unique role and purpose of the National Society in the wider education system. Through bringing together theology, pedagogy and leadership thinking, it sought to offer the sector a clear understanding of the 'why' of education, not simply the 'what'. Our 2016 Vision for Education has been worked out in a number of key practical ways at a national level including:

- the underpinning of the SIAMS Section 48 inspection framework and the national integration of our inspection processes for all schools
- the development of the Church of England Foundation for Educational Leadership, and its wide range of programmes, networks, research, resources and events
- the voice of key policy development work with local, regional and national stakeholders (including work on small schools, Further Education, Higher Education, Religious Education, Collective Worship, Belonging & Inclusion, Racial Justice and Environment)
- the creation of the Growing Faith Foundation seeking to build strategic partnerships between church, school and household

- the prioritisation of young people at heart of the Church of England's mission through the integration of the Archbishops' Young Leaders Award and National Younger Leadership Groups.

The Church of England and Church in Wales have been providing free education to the children of our nation for generations and especially since the formation of The National Society in 1811. This visionary early nineteenth century movement of educational leadership was centred on social justice, access for all, and a deep investment in the flourishing of children, adults and communities through the transformational power of education, free at the point of access. Our schools now educate over one million children, around 20% of the country's education provision, and we will continue to play this central role in the sector for generations to come.

2023 activities

Following the withdrawal of the 2022 Schools Bill, the government nevertheless continued to articulate a desire to shape the school system for the future. As different ideas for that system are debated and discussed in the lead up to a general election, the National Society re-affirmed its vision for the next season of the education sector's journey, which with its mixed economy of school types and partnerships risks being inherently fragmented. We published, in June 2023, Our Hope for a Flourishing School System which is centred on a renewed commitment to the four core principles of that vision. This is a vision for education, not just for Church schools, and so we continue to embrace vibrant partnerships with all major education institutions and sector bodies and are grateful for continued strategic conversations and co-construction of the landscape with others.

Developing Leaders

Our Hope for a Flourishing School System has led to the revitalisation of our work with Multi-Academy Trust (MAT) CEOs and senior leaders, as a vital relationship for the ongoing growth of leadership development offer. The newly named Flourishing Trusts Network quickly gathered momentum and, by the end of the year, grew to approximately 80 trusts representing 800 schools and over one quarter of a million pupils. This network, alongside the partnership with Diocesan Boards of Education and the work of diocesan education teams, plays a significant role on our ability to shape policy and develop leaders.

Throughout 2023 the National Society has been ensuring our partnerships and engagement strategy secures the participants needed for National Professional Qualifications (NPQs), the development of NPQ+, the participation in AYLA and the continued growth of our networks for leaders at all levels, including the development of the Growing Faith Foundation

In 2023 we consolidated our offer as a lead provider of NPQs recruiting over 3000 participants to our programmes and successfully bidding for and securing the opportunity to be further accredited as a provider for NPQMaths and NPQSEND (the mandatory qualification that those coordinating special educational needs provision in schools will need). The latter has been developed as a vibrant partnership with the Cathedrals Group of universities and will enable us to develop that partnership in other areas over coming years.

Our leadership development work is not solely focussed on NPQs and we have developed an additional offer (NPQ+) to provide further opportunities for leaders to develop their work on ethos, character and culture and a broader range of subjects than is possible in the time available within the set NPQ curriculum.

The Council has continued to invest in the systems and infrastructure required to run this leadership development programme at scale and the staff team has grown accordingly. But given the ongoing uncertainty about future provision and scale of provision of NPQs in the coming years, not least given the prospect of an election and a new spending review, new appointments have been made as fixed-term contracts to ensure the Society can manage risk and ensure capacity and flexibility to further its agile approach to the development of our team.

This year has also seen a consolidation and then growth of our work on younger leadership through the Archbishops' Young Leaders Award (AYLA), with an increased focus on the partnerships required, especially with MATs to secure the quantity of sales required to enable the programme to become sustainable. The quality of our resources and offer in this younger leadership space speak for themselves, and schools and students continue to report how beneficial the programme is.

Shaping Policy (Schools, FE and HE)

The fact that the Church of England and Church in Wales provide a quarter of all primary schools and is a statutory provider for 1 million children and young people enables us to have a voice on a range of policy areas. The policy work is a vital element of our core business.

The withdrawal of the Schools Bill in 2022 meant 2023 was a year to ensure the things relating to the church's provision in education which the schools bill was intended to secure could be achieved through other means. This has been completed very successfully. We have agreed new consolidated model articles of association for MATs which, for the first time, assume that church majority governance is the accepted norm for all church school MATs. In addition, the MoU between the Secretary of State for education and the National Society has ensured that the diocesan strategy for academisation is central to the thinking and the Department for Education's regional directors must work in partnership with dioceses in relating to the development of church schools. This of course puts greater onus on dioceses to develop a clear strategy for how the emerging school system can be shaped to ensure the ongoing flourishing of all their schools. The land clauses that we had agreed should be part of the Schools Bill were too important to lose and so we identified a route through which they could be included in other legislation. These have now been included in the Levelling Up Act, thus securing the church's freehold interest in its academies, should they move site. Through all of this the National Society has continued to develop a reputation of being trusted partners with the DfE in the development of school policy.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work and the National Society worked with the wider RE community and has endorsed the exemplar content within the National Content Standard, offered as a benchmark and not as a syllabus or an approach to RE. The core standard is consistent with our own Statement of Entitlement for RE and contains an emphasis on fair and accurate representation of the religious and non-religious worldviews that are studied.

Our work on equity, diversity and inclusion continues to strengthen. The Archbishops' Council and Racial Justice Commission have funded a range of educational activities in this area, especially focusing on the promotion of Christianity as a global world faith, with new modules being developed to ensure that Understanding Christianity is taught in a way that recognises Christianity's breadth and impact across different cultures and traditions. In 2023 we continued to provide our Leaders Like Us programme which seeks to equip UKME/GMH school leaders for the future. The first cohort of over 40 such leaders continued throughout 2023 and a second cohort of 44 leaders has been recruited for 2024.

The commitment to achieving Net Zero Carbon across the church's estate has been embraced by the National Society in relation to Church schools. The National Society is seeking to inspire and to encourage Church schools to sign up to a vision of Net Zero Carbon schools for the benefit of the whole school community, to conserve the environment and to enable the planet to flourish for future generations. We are encouraging schools to take ownership of the zero carbon target by making a declaration from the governing body or academy board. To assist with making a declaration we are working with the 'Let's Go Zero' campaign by Ashden Climate Solutions, this campaign aims to help all schools to get to zero carbon by 2030.

Schools and Diocesan Boards of Education that hold capital funding, are required to maximise the use of resources such as the Department for Education's Good Estate Management guide and toolkits. This will help to establish a clear 'Estates Vision and Strategy' to work toward achieving year on year reductions in emissions. There are also organisational assessment tools to assess the school's current approach and consumption of resources which will help to motivate action planning focused on decarbonising the estate.

To support schools identify energy efficient measures we have created a Practical Path to Net Zero with actions and quick wins for all school estates. Schools are also encouraged to install and utilise data from smart meters. Schools should also consider using the free online energy analysis tool and energy education programme from Energy Sparks. This programme is specifically designed to help schools reduce their electricity and gas usage through the analysis of smart meter data. Energy Sparks helps pupils and the wider school community to reduce their school's carbon emissions and make a real contribution to addressing the 'climate emergency'. Participating schools are supported with online training, energy audits and education workshops.

The National Society continues to develop its aspirations to engage in Further Education (FE) and 2023 saw the development of a strategic proposal to forge a relationship between MATs and FE/HE providers for the delivery of apprenticeships for the many non-teaching staff that schools depend on for their successful operation. This partnership will continue to build our connections with FE in a way that enables the development of a group of FE colleges that want to be more closely associated with the Church of England.

The Church's contribution to Higher Education, especially through its Anglican foundation universities, continues to be a focus of policy work. This is particularly important in connection to the significant role these universities play in the training of teachers.

Statutory Inspection of Anglican and Methodist Schools (SIAMS)

The national delivery of SIAMS has continued to prove a valuable resource for the National Society and dioceses alike, as we continue to promote and inspect the important connection between school vision, curriculum, worship, and spiritual development for the flourishing of children and adults.

There are about 135 inspectors, and the team have trained just over 140 in this year's cohort, so by next year they expect to have a minimum of 250 inspectors and therefore are on track to catch-up on inspections missed through the complexity of pausing and restarting inspections as a result of the Covid-19 pandemic. As well as recruiting and training further inspectors, we are now using the new SIAMS framework which brings renewed focus on the theological underpinning of Christian vision for a school. This framework will continue to make judgements about the way the Christian character of the school drives the quality of education and enables children to flourish, but it will no longer summarise this with single word grades. Early signs are that the framework is proving to be very effective as an approach to inspection.

Growing Faith

Our vision for Growing Faith has always been one of influencing wider cultural change within the church so that faith development amongst children and young people is something which embraces the whole of life and where, through partnership between church and school, the role of faith in the home is seen as vitally important. Having led the conversation on such a culture change, the National Society's Growing Faith Foundation, is making a massive impact through the development of programmes, networks and research.

The Growing Faith Foundation strategic leaders programme provides an opportunity for leaders and aspiring leaders from a range of settings to learn and grow together. With a sharp focus on children and young people, participants are invited not only to explore their leadership competencies and capacities, but to explore how their leadership impacts their own communities and contexts.

Growing Faith Learning Hubs are centres of innovation, where schools/churches are resourced to further embed creative practices that build the strategic partnership between school, church and home. Hubs are creative spaces where people are encouraged to try imaginative approaches as we seek to double the number of children and young active disciples in the Church of England by 2030. The Learning Hubs are funded with an annual grant. The Foundation has funded 18 Hubs across the country, some supported by external funders. The Hubs launched throughout 2023.

The networks are diverse and varied and include a network for the parachurch organisations; an Estates Ministry network; Listening and responding to the voice of children and young; Serving the local school; In development are: Developing a parent-discipling community; Hubs working together; Toddler group leaders; Home Educators and Growing Faith; Developing a Christian Vision for School together; Ordinands for Growing Faith; Youth Workers for Growing Faith; Chaplaincy and Growing Faith; Outdoor church network.

Research is a fundamental part of the Growing Faith Foundation's work and during 2023 the Foundation has been supporting 14 projects with researchers from across the country to discover more about what is happening in the intersections between church, home and school.

The way dioceses, churches and schools are embracing this work suggests that the culture change is happening and there seems a real determination to prioritise mission and ministry with children and young people in churches, schools and homes.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the Growing Faith Foundation and the National Society. There are Growing Faith Foundation networks focused on this and we continue to provide national younger leadership groups, comprising around 250 young people in Primary and Secondary schools across the country.

Partnership with the Church in Wales

This year has continued to see significant deepening of our work in partnership with the Church in Wales. A suite of proposals has been agreed by the Bench of Bishops and Representative Body to develop a deepening partnership in education between Church in Wales Education and the Church of England while at the same time growing capacity within the Church in Wales Education team. The proposals sit within the three broad themes of Developing Leaders, Shaping Policy and Ministry Development in Schools as part of the wider mission of the Church in Wales or Growing Faith as it is known in the Church of England. The proposals are varied and can either be classified as projects which require short term input in order to set programmes in motion which will have more lasting impact, or more strategic work intended to ensure all our schools understand what it is to part of the family of the Church in Wales and to place children and young people firmly at the heart of our mission to grow a younger Church.

Future plans

With a general election almost certainly taking place in 2024, the National Society will continue to prioritise its threefold aim of developing leaders, shaping policy and growing faith, mindful of any changes to the educational landscape that are likely to happen. We will continue to build strong links with all political parties to ensure our voice, as a major partner in the provision of education, is heard.

The future of leadership development is an area of particular concern and focus for us and we will build proactively on the great start we have made in providing NPQs in a way that broadens our offer to promote leadership development and early career development that equips teachers and leaders to promote our vision for a flourishing schools system.

Growing Faith continues to provide a major opportunity for the church to become younger and more diverse, and 2024 will see the launch of 40 pilots of our FLOURISH network of worshipping communities in schools. Funded through a grant from the Archbishops' Council, this project will seek to catalyse a movement of ministry with children and young people through greater connection between church and school.

As the National Society has grown, we have been giving attention to the way all of our work is communicated and how the management of our finances and other core service operations are facilitated. This needs to be done in a way that enables the Society to be effective stewards of its resources and future plans. As a result of this work, the Council will be creating a clearer brand identity, logo family and website for all of our work throughout 2024. It has also decided that it will move its Finance services in-house to the National Society through purchase of appropriate accounting software and the creation of a small Finance Team within the Operations Team. This work will be carried out in 2024 for implementation from 2025. In addition, the Council has determined to undertake a tender process to find a more cost-effective IT service provider from Autumn 2024 onwards. This is highly likely to result in a move of IT provision to a new provider outside of the Church of England Central Services team.

Financial Review

Summary of Results

Total consolidated income for the year was £5,778,197, being an increase of £2,392,006 on the previous year (2022: £3,386,191). Total consolidated expenditure for the year was £5,838,983, an increase of £1,853,502 on the previous year (2022: £3,985,481). Net expenditure for the year was £60,786 before total investment gains of £31,745 (2022: Net expenditure of £599,290 before total investment losses of £1,727,777). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a profit of £583,836 (2022: a loss £298,080), with a turnover of £3,878,421 (2022: £1,922,423) and total expenditure of £3,294,585 (2022: £2,220,503).

Investment Strategy, Powers and Restrictions

The Society's Investment Strategy reflects the long-term nature of the enterprise. With the help of expert professional advisers, reserves are invested in a mixed portfolio of equities, fixed interest securities and property. Ethical

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

considerations are taken into account and the Society follows the advice given by the Church of England Ethical Investment Advisory Group. The investment objective is to maintain the real value of the Society's assets while securing a steady growth in investment income. Both the requirement of prudence and the need for a reliable income flow prompts the Society to invest for "value" rather than "growth".

Investment Performance

2023 was a more resilient year for global and UK markets compared with 2022, with falling inflation rates and more political stability than had been experienced in the previous year. Total stocks and shares investment income decreased by £1,967 to £444,144 in 2023, representing an income yield of 3.9% in 2022 (2022: 3.7%). Total gain on the stocks and shares investments were £210,387 (2022: loss of £1,621,839).

During the year the Society has reassessed the value of its investment properties and has booked a revaluation loss of £111,143 in respect of Fairwinds, and a revaluation loss in respect of £67,500 in respect of Great Peter Street, resulting in a total revaluation loss of £178,643.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2023 and as a voluntary body the Society relies on investment income, conference and course fees, Diocesan contributions, donations, and legacies to fund its normal activities.

Reserves Policy

At 31 December 2023, the Society held total reserves of £13,650,962 of which £856,977 was held in restricted funds. Unrestricted reserves totalled £12,792,963 of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £12,793,985.

The Society's target is to hold between 3 and 6 months of unrestricted expenditure (along with a £400,000 buffer to reflect the fact that the trading subsidiary has not been profit making in previous years), as free reserves excluding unrestricted investment balances. This equates to between £1,546,747 and £2,693,494. The current balance is out with these parameters and the trustees will review the reserves policy during the year to ensure that it remains fit for the Society's purposes.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary CEES, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, maintaining synchronisation between the Church Schools network with government education policy and the wider Church, IT and cyber resilience, and development of Foundation work by the Society and its subsidiary.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Staff remuneration and executive pay

All the staff of the National Society are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The roles of the Chief Executive and Executive Director of Education sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCLs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCLs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCL bands.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice.
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was authorised for issue by the Council on 14 June 2024 and signed on its behalf by:


Bishop Jonathan Portsmouth (Jul 5, 2024 12:20 GMT+1)

Rt Revd Jonathan Frost
Chairman

Date: 14th of June 2024


Peter Ballard (Jul 4, 2024 15:21 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

Date: 14th of June 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Opinion

We have audited the financial statements of The National Society (Church of England and Church in Wales) for the Promotion of Education ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2023 and of the group's/its income and expenditure, 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 Charities Act 2011.

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 charity / group 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 trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date 16 July 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	Unrestricted Funds £	Restricted Funds £	2022 Total £
Income from:							
Donations and legacies		2,980	726,300	729,280	13,579	271,000	284,579
Charitable activities	3	1,550	660,525	662,075	10,625	434,775	445,400
Other trading activities		3,878,421	-	3,878,421	1,922,197	-	1,922,197
Investments	2	493,390	8,307	501,697	499,353	1,467	500,820
Other income	4	2,566	4,158	6,724	229,819	3,376	233,195
Total income		4,378,907	1,399,290	5,778,197	2,675,573	710,618	3,386,191
Expenditure on:							
Raising funds		42,126	-	42,126	45,247	-	45,247
Charitable activities	5	1,254,654	1,251,996	2,506,650	1,708,687	880,343	2,589,030
Other trading expenditure		3,290,207	-	3,290,207	1,351,204	-	1,351,204
Total expenditure		4,586,987	1,251,996	5,838,983	3,105,138	880,343	3,985,481
Net expenditure before gains/ (losses) on investments		(208,080)	147,294	(60,786)	(429,565)	(169,725)	(599,290)
Gains/(losses) on investments	10	31,745	-	31,745	(1,727,777)	-	(1,727,777)
Net expenditure		(176,335)	147,294	(29,041)	(2,157,342)	(169,725)	(2,327,067)
Transfers between funds	15	-	-	-	(158,861)	158,861	-
Net movement in funds		(176,335)	147,294	(29,041)	(2,316,203)	(10,864)	(2,327,067)
Total funds at 1 January		12,970,320	709,683	13,680,003	15,286,523	720,547	16,007,070
Total funds at 31 December:		12,793,985	856,977	13,650,962	12,970,320	709,683	13,680,003

The balances for both financial years relate to continuing operations.

The notes 1 to 17 form part of these Financial Statements

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Charity	
		2023	2022	2023	2022
		Total	Total	Total	Total
	Notes	£	£	£	£
Fixed assets					
Investment property	10	1,763,108	1,941,750	1,763,108	1,941,750
Investments	10	11,349,720	11,180,456	11,349,720	11,180,556
		13,112,828	13,122,206	13,112,828	13,122,306
Current assets					
Debtors	11	1,045,509	707,577	633,899	597,290
Cash & cash equivalents		988,452	726,277	233,100	691,046
		2,033,961	1,433,854	866,999	1,288,336
Liabilities					
Creditors: amounts falling due within one year	12	(1,495,827)	(876,057)	(501,247)	(319,087)
Net current assets		538,134	557,797	365,752	969,249
Total net assets		13,650,962	13,680,003	13,478,580	14,091,555
The funds of the charity:					
Restricted funds		856,977	709,683	856,977	709,683
Unrestricted funds:					
. Designated funds		1,022	1,022	1,022	1,022
. General funds		12,792,963	12,969,298	12,620,581	13,380,850
Total funds	13	13,650,962	13,680,003	13,478,580	14,091,555

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 14 June 2024 and signed on its behalf by:

Bishop Jonathan Portsmouth
Bishop Jonathan Portsmouth (Jul 5, 2024 12:20 GMT+1)

Rt Revd Jonathan Frost

Chairman

Date: 14th of June 2024

PJ Ballard

Peter Ballard (Jul 4, 2024 15:21 GMT+1)

Rev'd Canon Peter Ballard

Honorary Treasurer

Date: 14th of June 2024

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Net income / (expenditure) for the year (as per the statement of financial activities)		(29,041)	(2,327,067)
Investment income	2	(501,697)	(500,820)
(Gains) / losses on investments	10	(210,387)	1,621,839
Increase in creditors	12	619,770	77,676
Increase in debtors	11	(337,932)	(303,855)
Net cash flow used in operating activities		(459,287)	(1,432,227)
Cash flows from investing activities			
Investment income received	2	501,697	500,820
Purchase of investments	10	(441,032)	(773,721)
Sales of investments	10	488,356	668,943
Revaluation gain on investment property	10	178,642	105,938
Net cash flow provided by investing activities		727,663	501,980
Change in cash and cash equivalents in the year		268,376	(930,247)
Cash and cash equivalents at 1 January 2023		731,641	1,661,888
Cash and cash equivalents at 31 December 2023		<u>1,000,017</u>	<u>731,641</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		988,452	726,277
Cash held by investment managers	10	11,565	5,364
		<u>1,000,017</u>	<u>731,641</u>

The Society has no debt and therefore the reconciliation in cash and cash equivalents also represents the analysis of changes in net debt.

The notes 1 to 17 form part of these Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The National Society meets the definition of a public benefit entity under FRS 102.

The National Society has taken advantage of the exemption in FRS102 from the requirement to prepare a Charity cash flow statement.

The subsidiary company has been consolidated on a line-by-line basis.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, maintaining synchronisation between the Church Schools network with government education policy and the wider Church, IT and cyber resilience, and development of Foundation work by the Society and its subsidiary.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Income

Income is recognised in the period in which the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and the amount can be measured reliably and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and basis of allocation of costs

Expenditure, including the related irrecoverable VAT, is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Most costs are directly attributable to specific activities. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs & administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been apportioned on the basis of time spent on various activities.

1. ACCOUNTING POLICIES (continued)

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the statement of financial activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The National Society participates in two pension schemes for the benefit of its employees - the Defined Benefit Pension Scheme (DBS), which is one section of the Church Workers Pension Fund and the Church Administrators Pension Fund which is split into two sections. For employees who joined before 1 July 2006 there is a Defined Benefits Section and for those joining after that date there is a Money Purchase Section. For further details please see note 9.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)**Judgements and key sources of estimation uncertainty**

The National Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Investment properties:

The Society carries its investment properties at fair value being recognised in the Statement of Financial Activities. See note 10 for more information.

Expenditure allocations:

Expenditure is apportioned where it relates to more than one cost category (see note 5).

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Interest receivable	4,246	8,307	12,553	9,709
Dividends receivable	444,144	-	444,144	446,111
Rents receivable	45,000	-	45,000	45,000
Total	493,390	8,307	501,697	500,820

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Section 48 inspections	1,550	406,375	407,925	228,950
Diocesan contribution	-	254,150	254,150	216,450
Total	1,550	660,525	662,075	445,400

4. OTHER INCOME

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Royalties received	2,176	4,158	6,334	233,082
	390	-	390	113
Total	2,566	4,158	6,724	233,195

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Direct costs £	Support costs £	2023 £	2022 £
Shaping Policy	1,317,961	147,324	1,465,285	1,245,249
Developing Leaders	238,299	300,797	539,096	1,124,506
Growing Faith Foundation	467,123	35,146	502,267	219,275
Total	2,023,383	483,267	2,506,650	2,589,030

6. ANALYSIS OF SUPPORT COSTS

	2023	2022
	£	£
Staff costs	209,037	83,930
Shared service costs	94,069	178,510
Archiving costs	31,642	46,266
Office rent	21,451	27,879
Audit fees	27,900	16,850
Committee expenses	19,968	7,914
Legal fees	38,254	123,717
Trustees' indemnity insurance	-	1,064
Other	40,946	54,382
Total	483,267	540,512

All support costs are allocated to charitable activities because any allocation between raising funds and charitable activities is immaterial.

Included in total committee expenses is £1,349 (2022: £2,009) which had been met or reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,083 (2022: £1,064) was paid by the Church of England Educational Services Limited on behalf of Society. The Honorary Treasurer has chosen not to draw an honorarium.

7. STAFF COSTS

The cost of staff employed by the National Society for the year ended 31 December 2023 is as below:

	2023	2022
	£	£
Gross salaries	1,768,462	1,121,834
National insurance	192,974	129,290
Pension costs	216,420	135,828
Total	2,177,856	1,386,952

	2023	2022
Average headcount	45	30

Included within these costs is £nil (2022: £nil) termination costs in relation to zero (2022: zero) employees. The charity considers its key management personnel to consist of the Chief Education Officer, the Executive Director of Education, the Director of SIAMS, the Head of Operations and the Head of Professional Learning. During the year the National Society contributed £394,351 (2022: £327,622) in relation to its share of their employee benefits. There were 4 employees (2022: 2 employees) who were paid between £60,001 and £70,000, and 2 employees (2022: 1 employee) who were paid between £70,001 and £80,000 in relation to work carried out for the National Society.

8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2023	2022
	£	£
Turnover	3,878,421	1,922,423
Cost of sales and administration expenses	(3,294,585)	(2,220,503)
Profit before taxation	583,836	(298,080)
Tax on profit	-	-
Charitable donation	-	-
	2023	2022
	£	£
Current assets	1,168,538	614,544
Creditors	(996,154)	(1,025,996)
Net assets	172,384	(411,452)
Capital and reserves		
Called up share capital	100	100
Profit and loss account	172,284	(411,552)
Total shareholder's funds	172,384	(411,452)

Church of England Educational Services Limited is a trading subsidiary incorporated in England and Wales where the National Society own all 100 £1 ordinary shares. It undertakes a similar activity to the parent. A summary of the trading results are shown above. Audited financial statements have been filed with the Registrar of Companies. The distributable net profit has now been distributed to the National Society as a charitable donation under gift aid.

9. PENSIONS

The National Society participates in two separate pension schemes operated by the Church of England Pensions Board:- the Church of England Defined Benefit Pension Scheme (DBS) (which is one section of the Church Workers Pension Fund) and the Church Administrators Pension Fund which is split into two sections, a defined benefits section and a money purchase section.

Church of England Defined Benefit Pension Scheme (DBS)

This is part of the Church Workers Pension Fund and is operated in respect of staff who joined The National Society before 1 January 2000.

The National Society is unable to identify its share of the underlying assets and liabilities of the DBS as each participating employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and The National Society's future contribution rate was revised with effect from 1 April 2012 and a deficit recovery plan was introduced from the same date. The last fund valuation carried out yields an estimated outstanding deficit at 31 December 2016 of £26,700. Investigations carried out since the last report have identified that some employees previously identified as employees of the National Society were employed under the joint employer arrangements operated by the National Church Institutions (NCIs).

Church Administrators Pension Fund (CAPF)

The Defined Benefit Section is for members who joined the Fund before 1 July 2006. Each participating employer in the section pays contributions at a common contribution rate applied to their members' Pensionable Salaries.

The Defined Benefit Section is considered to be a multi-employer, last man standing defined benefit pension scheme, as described in Section 28 of FRS 102. The Employer is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. 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.

A valuation of this section is carried out every three years, the most recent having been at 31 December 2019. This revealed a deficit of £9.1m. Following the valuation, the employers have collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries with effect from 1 January 2021. The NCI's as a whole have assumed responsibility for the Society's CAPF DB deficit contributions and therefore there is no liability for the Society.

10. INVESTMENTS

Group	Property £	Investments £	2023 £	Property £	Investments £	2022 £
Market value at 1 January	1,941,750	11,175,092	13,116,842	2,047,688	12,692,153	14,739,841
Disposals	-	(488,356)	(488,356)	-	(668,943)	(668,943)
Acquisitions	-	441,032	441,032	-	773,721	773,721
(Loss)/gain on revaluation	(178,642)	210,387	31,745	(105,938)	(1,621,839)	(1,727,777)
Market value at 31 December	1,763,108	11,338,155	13,101,263	1,941,750	11,175,092	13,116,842
Cash held by investment manager	-	11,565	11,565	-	5,364	5,364
Total investment balances	1,763,108	11,349,720	13,112,828	1,941,750	11,180,456	13,122,206
 Historical cost at 31 December	 30,327	 8,333,451	 8,363,778	 30,327	 8,371,010	 8,401,337

10. INVESTMENTS (continued)

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2023:

	2023	2022
	£	£
CCLA CBF Investment Fund	1,554,842	1,096,058
CCLA CBF Property Fund	836,494	891,215

	Unlisted investments	Property	Investments	2023
Charity	£	£	£	£
Market value at 1 January 2023	100	1,941,750	11,175,092	13,116,842
Disposals	-	-	(488,356)	(488,356)
Acquisitions	-	-	441,032	441,032
(Loss)/gain on revaluation	-	(178,642)	210,387	31,745
Market value at 31 December 2023	100	1,763,108	11,338,155	13,101,363
Cash held by investment manager	-	-	11,565	11,565
Total investment balances	100	1,763,108	11,349,720	13,112,928
Historical cost at 31 December	100	30,327	8,333,450	8,363,877

	Unlisted investments	Property	Investments	2022
Charity	£	£	£	£
Market value at 1 January 2022	100	2,047,688	12,692,153	14,739,941
Disposals	-	-	(668,943)	(668,943)
Acquisitions	-	-	773,721	773,721
(Loss)/gain on revaluation	-	(105,938)	(1,621,839)	(1,727,777)
Market value at 31 December 2022	100	1,941,750	11,175,092	13,116,942
Cash held by investment manager	-	-	5,364	5,364
Total investment balances	100	1,941,750	11,180,456	13,122,306
Historical cost at 31 December 2022	100	30,327	8,371,010	8,401,437

Unlisted investments are as below:

	Registered Office	Class of shares held	Holding direct	Nature of business
Church of England Educational Services	England	Ordinary	100%	Education

11. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
<i>Amounts due within one year:</i>				
Prepayments & accrued income	279,242	140,352	52,814	24,755
Trade debtors	766,267	567,225	579,510	103,509
Amounts due from subsidiary	-	-	1,575	469,026
	<u>1,045,509</u>	<u>707,577</u>	<u>633,899</u>	<u>597,290</u>

12. CREDITORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
<i>Amounts due within one year:</i>				
Accrued expenditure	800,448	387,964	105,997	102,170
Other taxation and social security	220,522	141,478	-	489
Deferred income	304,625	157,500	304,625	157,500
Trade creditors	149,776	173,054	70,172	42,867
Other creditors	20,456	16,061	20,453	16,061
	<u>1,495,827</u>	<u>876,057</u>	<u>501,247</u>	<u>319,087</u>

Reconciliation of deferred income

	2023
	£
Deferred at 1 January 2023	157,500
Released during the year	(157,500)
Deferred during the year	<u>304,625</u>
Deferred at 31 December 2023	<u>304,625</u>

£304,625 was deferred during the year in respect of SIAMS inspections planned for 2024.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2023 are represented by:

	Unrestricted funds	Restricted funds	2023	Unrestricted funds	Restricted funds	2022
Group	£	£	£	£	£	£
Fixed assets	13,112,828	-	13,112,828	12,795,668	326,538	13,122,206
Current assets	1,176,984	856,977	2,033,961	1,050,709	383,145	1,433,854
Current liabilities	<u>(1,495,827)</u>	-	<u>(1,495,827)</u>	<u>(876,057)</u>	-	<u>(876,057)</u>
Total net assets	<u>12,793,985</u>	<u>856,977</u>	<u>13,650,962</u>	<u>12,970,320</u>	<u>709,683</u>	<u>13,680,003</u>

	Unrestricted funds	Restricted funds	2023	Unrestricted funds	Restricted funds	2022
Charity	£	£	£	£	£	£
Fixed assets	13,112,828	-	13,112,828	12,795,768	326,538	13,122,306
Current assets	10,022	856,977	866,999	905,191	383,145	1,288,336
Current liabilities	<u>(501,247)</u>	-	<u>(501,247)</u>	<u>(319,087)</u>	-	<u>(319,087)</u>
Total net assets	<u>12,621,603</u>	<u>856,977</u>	<u>13,478,580</u>	<u>13,381,872</u>	<u>709,683</u>	<u>14,091,555</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Reconciliation of movements in unrealised gains on investment assets:

Group	Unrestricted funds £	2023 £	Unrestricted funds £	2022 £
Unrealised gains at 1 January	4,720,869	4,720,869	6,504,162	6,504,162
Realised gains/(losses) in respect of disposals	<u>26,861</u>	<u>26,861</u>	<u>(55,516)</u>	<u>(55,516)</u>
	4,747,730	4,747,730	6,448,646	6,448,646
Net gain/(loss) arising on revaluations	31,745	31,745	(1,727,777)	(1,727,777)
Unrealised gains at 31 December	<u>4,779,475</u>	<u>4,779,475</u>	<u>4,720,869</u>	<u>4,720,869</u>
Charity	Unrestricted funds £	2023 £	Unrestricted funds £	2022 £
Unrealised gains at 1 January	4,720,869	4,720,869	6,504,162	6,504,162
Realised gains/(losses) in respect of disposals	<u>26,861</u>	<u>26,861</u>	<u>(55,516)</u>	<u>(55,516)</u>
	4,747,730	4,747,730	6,448,646	6,448,646
Net gain/(loss) arising on revaluations	31,745	31,745	(1,727,777)	(1,727,777)
Unrealised gains at 31 December	<u>4,779,475</u>	<u>4,779,475</u>	<u>4,720,869</u>	<u>4,720,869</u>

14. UNRESTRICTED FUNDS

The movements on the unrestricted funds of the Group are as follows:

	Balance as at 1 January 2023	Income	Expenditure	Gains, losses and transfers	Balance as at 31 December 2023
	£	£	£	£	£
General Fund	12,969,298	4,378,907	(4,586,987)	31,745	12,792,963
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
Total	<u>12,970,320</u>	<u>4,378,907</u>	<u>(4,586,987)</u>	<u>31,745</u>	<u>12,793,985</u>
	Balance as at 1 January 2022	Income	Expenditure	Gains, losses and transfers	Balance as at 31 December 2022
	£	£	£	£	£
General Fund	15,285,501	2,675,573	(3,098,412)	(1,893,364)	12,969,298
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
– SIAMS Development Fund	-	-	(4,795)	4,795	-
– NPQ Development Fund	-	-	(1,931)	1,931	-
Total	<u>15,286,523</u>	<u>2,675,573</u>	<u>(3,105,138)</u>	<u>(1,886,638)</u>	<u>12,970,320</u>

14. UNRESTRICTED FUNDS (continued)

The designated funds are held for the following purposes:

SIAMS	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
Foundation project	This represented the unrestricted part of the Foundation Project which aims to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
SIAMS Development Fund	To fund systems and set up for national coordination of SIAMS inspections.
NPQ Development Fund	To fund systems and set up for the new range of NPQ programmes.

15. RESTRICTED FUNDS

The income funds of the Society include restricted funds comprising the following unexpended balances of grants held as funds to be applied for specific purposes:

	Balance as at 1 January 2023	Income	Expenditure	Transfers	Balance as at 31 December 2023
	£	£	£	£	£
Foundation	26,059	-	-	-	26,059
S48 School Inspections	189,457	668,832	(766,609)	-	91,680
RE, CW & Character Working Group	96,777	15,000	(7,945)	-	103,832
Fresh Voices	17,385	-	-	-	17,385
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	6,536	-	(211)	-	6,325
Resourcing School Worship	4,465	-	(1,300)	-	3,165
Big Story App	88,264	-	-	-	88,264
Growing Faith Foundation	184,648	533,788	(475,931)	-	242,505
Free Schools Project	17,951	-	-	-	17,951
Big Questions in the Classroom	55,937	181,670	-	-	237,607
	<u>709,683</u>	<u>1,399,290</u>	<u>(1,251,996)</u>	<u>-</u>	<u>856,977</u>

A transfer was made from the general fund to cover expenditure relating to the work of the Foundation in 2022.

	Balance as at 1 January 2022	Income	Expenditure	Transfers	Balance as at 31 December 2022
	£	£	£	£	£
Foundation	26,059	3,167	(162,028)	158,861	26,059
S48 School Inspections	157,907	436,242	(404,692)	-	189,457
RE, CW & Character Working Group	132,246	15,000	(50,469)	-	96,777
Fresh Voices	17,868	-	(483)	-	17,385
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	(34,835)	-	6,536
Resourcing School Worship	5,815	-	(1,350)	-	4,465
Big Story App	90,014	-	(1,750)	-	88,264
Growing Faith Foundation	150,000	256,209	(221,561)	-	184,648
Free Schools Project	17,951	-	-	-	17,951
Big Questions in the Classroom	59,112	-	(3,175)	-	55,937
	<u>720,547</u>	<u>710,618</u>	<u>(880,343)</u>	<u>158,861</u>	<u>709,683</u>

15. RESTRICTED FUNDS (continued)

The funds are held for the following purposes:

Foundation for Educational Leadership	Project to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
S48 School Inspections	Funding for school inspections required under Section 48 of the Education Act 2005.
RE, CW & Character Working Group	Funding to improve the quality of religious education in Church of England Schools.
Fresh Voices	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
Unlocking Gifts	Project to support Diocesan bids to raise school achievement.
Living Well Together Project	Project to provides a welcome first step to more collaborative working, for the common good of society.
CSoF: Church School of the Future	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
National Governance Resources	Funding for a suite of resources for school governance.
Resourcing School Worship	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
Valuing All God's Children	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
Free Schools Project	To support dioceses in the bidding process for the government's free schools project.
Admissions Builder	Creation of a new admissions platform.
Big Story App	Funding to develop digital resources for the Growing Faith Foundation.
Big Questions in the Classroom	Funding to run a Science and Belief research programme as part of the Big Questions in the Classroom project, working with our secondary schools network.
Growing Faith Foundation	Core funding of the new Growing Faith Foundation.

16. RELATED PARTIES

A number of the Trustees are employed by their local Diocese who work closely with the Charity in the course of normal charity operations.

17. TRUSTEESHIP

The National Society is the Trustee at 31 December 2023 for the following trusts:

Alton School Teachers House
 Knighton School
 Vaughan Trust
 Walcot School

Trusts transferred or closed by 31 December 2023 - None

The assets held on behalf of these trusts are held in the name of the National Society Trusts Funds and comprise:

	2023		2022	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	134,800	5,691	123,070
RBS Deposit Account	-	-	-	-
Lloyds Account	7,474	7,474	7,474	7,474
	<u>13,165</u>	<u>142,274</u>	<u>13,165</u>	<u>130,544</u>

Accounts

**The National Society
(Church of England and Church in Wales)
for the Promotion of Education**

Annual report and financial statements
for the year ended 31 December 2022

Registered Charity number 313070

REFERENCE AND ADMINISTRATIVE INFORMATION

Mission Statement	Deeply Christian, Serving the Common Good.	
Legal structure	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
Patron	Her Majesty The Queen	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Paul Butler, Bishop of Durham	
Hon Treasurer	Revd Canon Peter Ballard	
Chief Education Officer	Revd Canon Nigel Genders	
Offices	Church House Great Smith Street London SW1P 3AZ	
Telephone	020 7898 1066	
Email	lisa.osborne@churchofengland.org	
Website	www.churchofengland.org	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Bankers	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
Investment Managers	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
Solicitors	The Society uses a panel of solicitors who provide advice in line with their expertise.	

REFERENCE AND ADMINISTRATIVE INFORMATION

The Council who served during the year and as at 8 June 2023 are shown below.

Chair	Rt Revd Paul Butler, Bishop of Durham	
Treasurer	Revd Canon Peter Ballard	
Other Council members	Name	Appointed / elected by
	Professor David Ford (until June 2022)	Archbishops of Canterbury and York
	Canon Simon Lloyd	Governing Body of Church in Wales
	Rt Revd June Osborne (until February 2022)	Governing Body of Church in Wales
	Mrs Rosemary Lyon	General Synod
	Revd Jeremy Fletcher	Archbishops of Canterbury and York
	Mrs Marion Plant	Archbishops of Canterbury and York
	Mr Andrew Smith	Co-option
	Canon Dr Addy Lazz-Onyenobi	General Synod
	Professor Jean-Noel Ezingear	Co-option
	Ms Sonia Thompson	Co-option
	Rt Revd Mary Stallard (from February 2022)	Governing Body of Church in Wales
	Canon Rachel Howie (from January 2023)	Archbishops of Canterbury and York
Finance, Investment, Risk & Audit Committee	Revd Canon Peter Ballard (<i>Chair</i>)	
	Ms Michelle Brissett	
	Ven. Douglas Dettmer	
	Revd Canon Nigel Genders	
	Mrs Rosalind Williams	
	Canon Carolyn Lewis	
	Canon Simon Lloyd (from November 2022)	
Nominations Committee	Revd Canon Peter Ballard (<i>Chair</i>)	
	Mrs Marion Plant	
	Revd Canon Nigel Genders	
Chief Education Officer	Revd Canon Nigel Genders	
Website	www.churchofengland.org	

Introduction

The National Society (Church of England and Church in Wales) for the Promotion of Education ("the National Society") is a Church of England and Church in Wales education service. It was founded by Royal Charter in 1811, with supplemental Charters in 1934, 1972, 1985, 1987, 1997 and 2015, to provide education for all, firmly based on the Christian Gospel and Anglican principles. The Charter states that:

"The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and in Wales and in any other part of the world where the Church of England or churches in communion with it may be at work. The investments and property and all of the income of the Society shall henceforth be applicable for the general purposes of the Society as herein stated."

The Trustees present their annual report and financial statements for the year ended 31 December 2022. The financial statements incorporate the National Society's trading subsidiary company, Church of England Educational Services Limited. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Charities SORP (FRS 102).

Structure, Governance & Management

Organisation and Decision Making

The National Society Council met four times during the year. One meeting was held in person, the remaining three being held remotely.

The Finance and Investment Committee, chaired by the Hon Treasurer, oversees the financial affairs of the Society. It has delegated powers from the Council to scrutinise accounts and make recommendations to the Council, and has responsibility for the management of the Society's investments, receiving reports from the Society's brokers and authorising movement of funds.

The Nominations Committee oversees the appointments to the National Society Council. It meets only when required to fill a Council vacancy or to manage the 5-yearly reconstitution of the Council.

The Society's Solicitors maintained strong links with the Society.

The National Society is one of the National Church Institutions (NCIs) and draws on the expertise and resources of various central services including those relating to Finance & Resources, Human Resources, Office Services and IT, Publishing and the Church of England Records Centre.

Under the 2015 Charter, the National Society Council consists of the following members:

- a) The Chair, appointed by the Archbishops after consultation with the General Synod and Archbishops' Council Appointments Committee.
- b) The Chief Education Officer, appointed by the Chair (who will not be a Trustee, but will have right of attendance).
- c) The Treasurer, appointed by the Chair.
- d) Three Trustees appointed by the Archbishops of Canterbury and York after consultation with the General Synod and Archbishops' Council Appointments Committee
- e) Two Trustees appointed by the Governing Body of the Church in Wales
- f) Two Trustees elected by General Synod
- g) Up to three Trustees co-opted for their skills and expertise.

Structure, Governance & Management (continued)

Organisation and Decision Making (continued)

Under the Byelaws, with the exception of the 3 Co-Presidents, no person shall be capable of becoming a member of the Council if at the time of their nomination, appointment, election or co-option they have attained the age of seventy-two years.

Relationships

The Society has a number of relationships with other bodies through which it co-operates to provide a full range of services to Church Schools in England and Wales, together with international links as appropriate.

In particular, the Society works in close partnership with the Archbishops' Council in all matters relating to education. Some posts are jointly funded by the Society and the Archbishops' Council.

The Society acts as Custodian Trustee of St Christopher's Educational Trust (incorporating the Hughes and Stevens Bequest), and appoints three Governors, one of whom is the Chair. The Trust prepares its own accounts for approval by the Governors.

A number of other small trusts are administered by the Society following gifts during the nineteenth century. Separate accounts and Charity Commission returns are made for these trusts. The Society has links with other organisations nationally and internationally to enable it to provide services and resources to benefit the work of Christian Education.

Trustee Induction and Training

New Trustees receive full information on the legal basis of the Society and the powers and responsibilities of the Council and its members. The Council was newly constituted in 2015 and when re-constituted, all members of the Council received information about the objects and purposes of the Society.

Grant Making Policy

In general terms the National Society is not a grant making trust. However, from time to time the Society makes a limited number of grants to other bodies to enable those recipients to carry out specific work on behalf of the Society.

Risk Management

The Society keeps under review the risks to its work. The Society has the benefit of the expertise of the NCIs' Internal Auditors. Members of the Council review likely risk areas and policies adopted on a regular basis.

Risk area	Key mitigating strategies
Significant reduction in funds available to the Society, whether through poor investment returns or lack of demand for services, leading to failure to meet business plans and objectives	• Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio • Performance of fund managers are monitored by the Finance and Investment Committee • Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations • Regular review of business plan and objectives taking into account available resources
The Church schools network is out of sync with government education policy and the views or priorities of the wider Church, leading to a fragmented response and reduced resource	• Investment in good relationships with major stakeholders • Monitoring of government developments and responding to consultations as necessary • Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools • Regular reporting to General Synod and House of Bishops
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	• A pan-NCI business continuity plan is in place which encompasses IT disaster recovery • Business continuity contingency plans are tested with emergency contact system and remote working day to ensure systems work as expected and flag up any potential issues • A COVID-19 Business Continuity group, which works across all of the NCIs, has been meeting since 2020
Failure to develop the Foundation work such that it is not sustainable	• Foundation well established through online community, successful national conference and regional networks • New NPQ programme bid was successful which will expand the reach of the Foundation

Objectives and Activities

The objects of the Society are the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales and in any other part of the world where the Church of England or churches in communion with it may be at work.

The original aim of the National Society, as expressed in its name, was the 'promotion of the education of the poor', and the continuing aim of the Society is to provide education to enable the flourishing of children and young people in England and Wales.

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit.

Achievements and Performance

The National Society supports the mission of the Church of England and Church in Wales in line with the Church of England's role as the largest single provider of education in England and as the established Church, as well as supporting the development of the Church in Wales's work in education through its Church schools. It oversees the work of the Church of England Education Office on behalf of both the Archbishops' Council and the National Society recognising the priorities and objectives of the Archbishops' Council and offers support to the provincial director of Education in Wales in relation to Education matters in Wales. The National Society's strategic plan is summarised as follows:

The National Society serves the Church's ministry with children and young people in schools, colleges and universities by:

- i. **Developing leaders** who are called, connected and committed to a vision for education which is deeply Christian, serving the common good
- ii. **Shaping policy** to promote high quality education for all, particularly the poorest and most disadvantaged
- iii. **Growing faith** amongst children and young people through churches, schools/colleges and households

The Society's vision continues to be underpinned by the Church of England Vision for education: deeply Christian, serving the common good, expressed through our key values of: wisdom, knowledge and skills; hope and aspiration; community and living well together; dignity and respect. Church schools continue to play a vital role at the heart of their communities.

With over one million students attending 4,800 schools in England and Wales, the National Society's responsibility is to advance the breadth of work across parishes, Diocesan Boards of Education, schools, colleges and Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world.

2022 activities

Developing Leaders

Since publication of our Church of England vision for Education and the launch of the *Church of England Foundation for Educational Leadership* in 2016, work on leadership development has continued to develop at scale.

In late 2021 the government had to retender the contract to provide National Professional Qualifications (NPQs) and as the result of an intensive process of bidding, the National Society has successfully been awarded the Framework Agreement for the next five years of NPQ delivery for the suite of NPQs. Cohorts 3 and 4 of these programmes were successfully recruited and ran in 2022, with a further call off contract being agreed to deliver even larger numbers in cohorts 5 and 6 in 2022/23. After initial difficulties recruiting participants (experienced by all lead providers) we have successfully flexed the delivery approach and recruited over 90% of our target numbers such that we will have nearly 4000 participants enrolled in these latest two cohorts.

However, our leadership development work is not solely focussed on NPQs and we have developed an additional offer (NPQ+) to provide further opportunities for leaders to develop their work on ethos, character and culture and a broader range of subjects than is possible in the time available within the set NPQ curriculum.

The Council has continued to invest in the systems and infrastructure required to run this leadership development programme at scale and the staff team has grown accordingly.

This year has also seen a focus on younger leadership with the acquisition of the Archbishops' Young Leaders Award (AYLA). This transfer to the National Society involved two elements. First, the asset transfer of the Archbishop of York Young Leaders Award (and all its materials, IPR, systems and data) along with the TUPE transfer of eight staff into the NS team. The transfer took place on 15 July 2022, with the original Archbishop of York Youth Trust formally closing as a separate charity itself in late November 2022. Secondly, the work to embed the core product in the wider offer of the NS, including rebranding to the Archbishops' Young Leaders Award (securing the endorsement of the Archbishops of York, Canterbury and Wales), and launching the award in Wales. We have begun the process of integrating operational systems, financial processes and databases, including the design and implementation of a revised pricing structure, delivery mechanism and the first steps towards integration into the NS's Salesforce CRM systems. We have also begun to embed the offer of AYLA into the wider Education Office offer, including the ability to promote the award to a wider range of schools, MATs and Dioceses. The AYLA team has also played a key role in the National Younger Leadership Groups, and delivered the student leadership stream at the National Conference in January 2023.

Shaping Policy (Schools, FE and HE)

The fact that the Church of England and Church in Wales provide a quarter of all primary schools and is a statutory provider for 1 million children and young people enables us to have a voice on a range of policy areas. The policy work is a vital element of our core business. March 2022 saw the publication of the government White Paper which set out the clear expectation that the school system would move to a fully academy trust-based system by 2030. We worked extremely well with government ministers and DfE officials to ensure the future provision of Church of England schools was secured through the provisions in the subsequent Schools Bill, safeguarding and strengthening the statutory basis of religious character in academies, and significant improvements to the treatment of site trustee land for the future. Unfortunately the political turmoil that followed in the summer of 2022, with the resignation of two prime ministers and having five Secretary of States for Education over the course of a 12 month period, resulted in the withdrawal of the Schools Bill at the end of the year. Nevertheless, work has continued and we have found other ways to secure these provisions without the Schools Bill. The lack of government imperative to join strong academy trusts within a set timescale will lead to a continued mixed economy of schools and trusts and it is vital that diocesan boards of education maintain a strategic view to develop and secure their schools in structural groups if they are to secure church school provision for the future.

The national delivery of SIAMS has led through the complexity of pausing and restarting inspections as a result of the Covid-19 pandemic and as well as recruiting and training further inspectors, we have launched a new SIAMS framework to bring renewed focus on the theological underpinning of Christian vision for a school. This framework was announced in the Autumn of 2022 and will be used from September 2023, giving schools and inspectors the necessary lead in time to manage the new framework. The new inspection framework will continue to make judgements about the way the Christian character of the school drives the quality of education and enables children to flourish, but it will no longer summarise this with single word grades.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work as is our work on equity, diversity and inclusion. The Archbishops' Council and Racial Justice Commission have funded a range of educational activities in this area and in 2022 we developed our *Leaders Like Us* programme which will equip UKME/GMH school leaders for the future. The first cohort of over 40 such leaders was recruited in 2022 with a launch event in January 2023.

The National Society continues to develop its aspirations to engage in Further Education (FE) and 2022 saw the development of a strategic proposal to work with chaplaincy, apprenticeships and the green skills agenda in a way that enables the development of a group of FE colleges that want to be more closely associated with the Church of England. The Church's contribution to Higher Education, especially through its Anglican foundation universities, continues to be a focus of policy work. This is particularly important in connection to the significant role these universities play in the training of teachers.

Growing Faith

Our vision for Growing Faith has always been one of influencing wider cultural change within the church so that faith development amongst children and young people is something which embraces the whole of life and where, through partnership between church and school, the role of faith in the home is seen as vitally important.

Having led the conversation on such a culture change, the National Society has now launched its Growing Faith Foundation, with a small central team having been established from September 22 and already making a massive impact through the development of programmes from strategic leaders of Growing Faith across dioceses and multiple networks, connecting communities of different sorts to resource people involved in the Growing Faith work. These are amplifying good practice and developing innovative approaches in the field. The range of networks is varied and include a network for the parachurch organisations; an Estates Ministry network; Listening and responding to the voice of children and young; Serving the local school; In development are: Developing a parent-discipling community; Hubs working together; Toddler group leaders; Home Educators and Growing Faith; Developing a Christian Vision for School together; Ordinands for Growing Faith; Youth Workers for Growing Faith; Chaplaincy and Growing Faith; Outdoor church network. The way dioceses, churches and schools are embracing this work suggests that the culture change is happening and there seems a real determination to prioritise mission and ministry with children and young people in churches, schools and households.

The connection between the Growing Faith Foundation and the Foundation for Educational Leadership will enable a sharing of staff resource, systems and approach to bring benefit to both.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the society and we continue to provide national younger leadership groups, comprising around 250 young people in Primary and Secondary schools across the country. Each of these young people also receives some leadership training opportunities alongside being part of our developmental work in relation to Growing Faith and a range of other key issues including input into the wider Church of England's vision and strategy.

Partnership with the Church in Wales

This year has seen significant deepening of our work in partnership with the Church in Wales. A suite of proposals has been agreed by the Bench of Bishops and Representative Body to develop a deepening partnership in education between Church in Wales Education and the Church of England while at the same time growing capacity within the Church in Wales Education team. The proposals sit within the three broad themes of Developing Leaders, Shaping Policy and Ministry Development in Schools as part of the wider mission of the Church in Wales or Growing Faith as it is known in the Church of England. The proposals are varied and can either be classified as projects which require short term input in order to set programmes in motion which will have more lasting impact, or more strategic work intended to ensure all our schools understand what it is to part of the family of the Church in Wales and to place children and young people firmly at the heart of our mission to grow a younger Church.

Future plans

The main priority for 2023 will be to ensure our partnerships and engagement strategy secures the participants needed for NPQs, the development of NPQ+, the participation in AYLA and the continued growth of our networks for leaders at all levels, including the development of the Growing Faith Foundation. The smooth introduction of the new SIAMS framework and the continued development of the systems and infrastructure needed to deliver all of this extended work will also remain a priority.

The National Society has committed to working with bishops of the Church of England to ensure that school leaders and clergy are able to navigate the complexity of the outworking of the church's Living in Love and Faith process in a way that helps schools in the teaching of relationships and sex education as well as continuing to ensure that all children and their families feel safe and included in the life of our church schools. As part of our commitment to the Church's ministry with children and young people, the NS will continue to develop the work of the Growing Faith Foundation and its equivalent in Wales, to ensure the growth of leaders and worshipping communities focused on the school/church/household partnership.

Financial Review

Summary of Results

Total consolidated income for the year was £3,386,192, being an increase of £1,839,023 on the previous year (2021: £1,547,169). Total consolidated expenditure for the year was £3,978,678, an increase of £2,045,157 on the previous year (2021: £1,933,521). Net expenditure for the year was £592,487 before total investment losses of £1,727,777 (2021: Net expenditure of £386,352 before total investment gains of £1,510,201). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a loss of £291,277 (2021: a loss £66,966 (restated)), with a turnover of £1,922,423 (2021: £626,969) and total expenditure of £2,213,700 (2021: £693,935 (restated)).

Investment Strategy, Powers and Restrictions

The Society's Investment Strategy reflects the long-term nature of the enterprise. With the help of expert professional advisers, reserves are invested in a mixed portfolio of equities, fixed interest securities and property. Ethical considerations are taken into account and the Society follows the advice given by the Church of England Ethical Investment Advisory Group. The investment objective is to maintain the real value of the Society's assets while securing a steady growth in investment income. Both the requirement of prudence and the need for a reliable income flow prompts the Society to invest for "value" rather than "growth".

Investment Performance

2022 was a turbulent year for the markets which suffered a series of shocks in relation to the invasion of Ukraine and the political turmoil closer to home. Total stocks and shares investment income increased by £7,691 to £446,111 in 2022, representing an income yield of 3.7% in 2022 (2021: 3.5%). Total losses on the stocks and shares investments were £1,621,839 (2021: gain of £1,280,212).

During the year the Society has reassessed the value of its investment properties and has booked a revaluation gain of £56,000 in respect of Fairwinds, and a revaluation loss in respect of £161,938 in respect of Great Peter Street, resulting in a total revaluation loss of £105,938.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2022 and as a voluntary body the Society relies on investment income, conference and course fees, Diocesan contributions, donations, and legacies to fund its normal activities.

Reserves Policy

At 31 December 2022, the Society held total reserves of £13,680,003 of which £709,683 was held in restricted funds. Unrestricted reserves totalled £12,970,320 of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £12,969,298 and excluding unrestricted investment balances of £12,795,768 gives a balance of £173,530.

The Society's target is to hold between 3 and 6 months of unrestricted expenditure (along with a £400,000 buffer to reflect the fact that the trading subsidiary is not currently expected to be profit making), as free reserves excluding unrestricted investment balances. This equates to between £538,484 and £1,076,967. The current balance is outwith these parameters and the trustees will review the reserves policy during the year to ensure that it remains fit for the Society's purposes.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary CEES, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans enacted in response to the initial emergency, which have substantially altered ways of working.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Staff remuneration and executive pay

All the staff of the National Society are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

The roles of the Chief Executive and Executive Director of Education sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice.
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was authorised for issue by the Council on 8 June 2023 and signed on its behalf by:

Paul Butler
Paul Butler (Jun 8, 2023 16:32 GMT+1)

Rt Revd Paul Butler
Chairman

P J Ballard
P J Ballard (Jun 20, 2023 14:46 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Opinion

We have audited the financial statements of The National Society (Church of England and Church in Wales) for the Promotion of Education ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022 and of the group's/its income and expenditure, 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 Charities Act 2011.

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 charity / group 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 trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP

Statutory Auditor

London

Date 27 September 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated		Unrestricted Funds	Restricted Funds	2022 Total	Unrestricted Funds	Restricted Funds	2021 Total
	Notes	£	£	£	£	£	As restated £
Income from:							
Donations and legacies		13,579	271,000	284,579	110,000	190,000	300,000
Charitable activities	3	10,625	434,775	445,400	22,175	112,875	135,050
Other trading activities		1,922,197	-	1,922,197	626,969	-	626,969
Investments	2	499,353	1,467	500,820	483,788	51	483,839
Other income	4	229,819	3,376	233,195	1,311	-	1,311
Total income		2,675,573	710,618	3,386,191	1,244,243	302,926	1,547,169
Expenditure on:							
Raising funds		45,247	-	45,247	47,202	-	47,202
Charitable activities	5	1,708,687	880,343	2,589,030	904,311	407,008	1,311,319
Other trading expenditure (as restated)		1,351,204	-	1,351,204	621,506	-	621,506
Total expenditure		3,105,138	880,343	3,985,481	1,573,019	407,008	1,980,027
Net (expenditure) income before gains/(losses) on investments (as restated)		(429,565)	(169,725)	(599,290)	(328,776)	(104,082)	(432,858)
Gains/(losses) on investments	10	(1,727,777)	-	(1,727,777)	1,510,201	-	1,510,201
Net income (expenditure) (as restated)		(2,157,342)	(169,725)	(2,327,067)	1,181,425	(104,082)	1,077,343
Transfers between funds	15	(158,861)	158,861	-	(258,943)	258,943	-
Net movement in funds (as restated)		(2,316,203)	(10,864)	(2,327,067)	922,482	154,861	1,077,343
Total funds at 1 January (as restated):		15,286,523	720,547	16,007,070	14,364,041	565,686	14,929,727
Total funds at 31 December (as restated):		12,970,320	709,683	13,680,003	15,286,523	720,547	16,007,070

Changes to the total funds brought forward as at 1 January 2022 resulting from a prior period adjustment are set out below:

	£
Total funds as at 31 December 2021 as previously reported:	16,158,620
Prior year adjustment (as explained in note 1)	(151,550)
Total funds as at 31 December 2021 restated:	<u>16,007,070</u>

The balances for both financial years relate to continuing operations.

The notes 1 to 17 form part of these Financial Statements

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group		Charity	
		2022	2021	2022	2021
		Total	Total As restated	Total	Total
		£	£	£	£
Fixed assets					
Investment property	10	1,941,750	2,047,688	1,941,750	2,047,688
Investments	10	11,180,456	12,856,571	11,180,556	12,856,671
		13,122,206	14,904,259	13,122,306	14,904,359
Current assets					
Debtors	11	707,577	403,722	597,290	539,601
Cash & cash equivalents		726,277	1,497,470	691,046	1,187,250
		1,433,854	1,901,192	1,288,336	1,726,851
Liabilities					
Creditors: amounts falling due within one year	12	(876,057)	(798,381)	(319,087)	(510,670)
Net current assets		557,797	1,102,811	969,249	1,216,181
Total net assets		13,680,003	16,007,070	14,091,555	16,120,540
The funds of the charity:					
Restricted funds		709,683	720,547	709,683	720,547
Unrestricted funds:					
. Designated funds		1,022	1,022	1,022	1,022
. General funds		12,969,298	15,285,501	13,380,850	15,398,971
Total funds	13	13,680,003	16,007,070	14,091,555	16,120,540

Changes to the total net assets and total funds brought forward as at 1 January 2022 resulting from a prior period adjustment are set out below:

	2021
	£
Total net assets and funds as at 31 December 2021 as previously reported:	16,158,620
Prior year adjustment (as explained in note 1)	(151,550)
Total net assets and funds as at 31 December 2021 restated:	<u>16,007,070</u>

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 8 June 2023 and signed on its behalf by:

Paul Butler
Paul Butler (Jun 8, 2023 16:32 GMT+1)
Rt Revd Paul Butler
Chairman

P J Ballard
P J Ballard (Jun 20, 2023 14:46 GMT+1)
Revd Canon Peter Ballard
Honorary Treasurer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 As restated £
Net income / (expenditure) for the year (as per the statement of financial activities)		(2,327,067)	1,077,343
Investment income	2	(500,820)	(483,839)
(Gains) / losses on investments	10	1,621,839	(1,280,012)
Increase / (decrease) in creditors	12	77,676	463,815
(Increase) in debtors	11	(303,855)	(167,792)
Net cash flow used in operating activities		(1,432,227)	(390,485)
Cash flows from investing activities			
Investment income received	2	500,820	483,839
Purchase of investments	10	(773,721)	(753,796)
Sales of investments	10	668,943	920,410
Revaluation gain on investment property	10	105,938	(230,188)
Net cash flow provided by / (used in) investing activities		501,980	420,265
Change in cash and cash equivalents in the year		930,247	29,780
Cash and cash equivalents at 1 January 2022		1,661,888	1,632,109
Cash and cash equivalents at 31 December 2022		731,641	1,661,888
Analysis of cash and cash equivalents			
Cash at bank and in hand		726,277	1,497,470
Cash held by investment managers	10	5,364	164,418
		731,641	1,661,888

The Society has no debt and therefore the reconciliation in cash and cash equivalents also represents the analysis of changes in net debt.

The notes 1 to 17 form part of these Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The National Society meets the definition of a public benefit entity under FRS 102.

The National Society has taken advantage of the exemption in FRS102 from the requirement to prepare a Charity cash flow statement.

The subsidiary company has been consolidated on a line-by-line basis.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans it has enacted in response to the initial emergency, which have substantially altered ways of working.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Income

Income is recognised in the period in which the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and the amount can be measured reliably and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and basis of allocation of costs

Expenditure, including the related irrecoverable VAT, is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Most costs are directly attributable to specific activities. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs & administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been apportioned on the basis of time spent on various activities.

1. ACCOUNTING POLICIES (continued)

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the statement of financial activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The National Society participates in two pension schemes for the benefit of its employees - the Defined Benefit Pension Scheme (DBS), which is one section of the Church Workers Pension Fund and the Church Administrators Pension Fund which is split into two sections. For employees who joined before 1 July 2006 there is a Defined Benefits Section and for those joining after that date there is a Money Purchase Section. For further details please see note 9.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The National Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Investment properties:

The Society carries its investment properties at fair value being recognised in the Statement of Financial Activities. See note 10 for more information.

Expenditure allocations:

Expenditure is apportioned where it relates to more than one cost category (see note 5).

Prior year adjustment

The accounts have been restated to incorporate the impact of expenditure which related to 2021 but was not charged to the profit and loss account until 2022. This restatement has resulted in total shareholders funds as at 31 December 2021 decreasing by £151,550.

Summary of the prior year accounting impact:

	£
Increase in expenditure (profit and loss account)	151,550
Increase in accrued expenditure (balance sheet account)	151,550
Decrease in net assets as at 31 December 2021	(151,550)

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2022 £	2021 £
Interest receivable	8,242	1,467	9,709	419
Dividends receivable	446,111	-	446,111	438,420
Rents receivable	45,000	-	45,000	45,000
Total	<u>499,353</u>	<u>1,467</u>	<u>500,820</u>	<u>483,839</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2022 £	2021 £
Section 48 inspections	10,625	218,325	228,950	3,500
Diocesan contribution	-	216,450	216,450	131,550
Total	<u>10,625</u>	<u>434,775</u>	<u>445,400</u>	<u>135,050</u>

4. OTHER INCOME

	Unrestricted funds	Restricted funds	2022	2021
	£	£	£	£
	229,706	3,376	233,082	-
Royalties received	113	-	113	1,311
Total	229,819	3,376	233,195	1,311

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Direct costs	Support costs	2022	2021
	£	£	£	£
Shaping Policy	860,136	385,113	1,245,249	675,368
Developing Leaders	989,929	134,577	1,124,506	635,951
Growing Faith Foundation	198,453	20,822	219,275	-
Total	2,048,518	540,512	2,589,030	1,311,319

Included within charitable expenditure is a net loss of £24,837, in relation to the acquisition of the Archbishop of York Youth Trust's Young Leaders award.

6. ANALYSIS OF SUPPORT COSTS

	2022	2021
	£	£
Staff costs	83,930	118,281
Shared service costs	178,510	106,971
Archiving costs	46,266	34,050
Office rent	27,879	31,329
Audit fees	16,850	9,240
Committee expenses	7,914	787
Legal fees	123,717	29,086
Trustees' indemnity insurance	1,064	1,602
Other	54,382	41,443
Total	540,512	372,789

All support costs are allocated to charitable activities because any allocation between raising funds and charitable activities is immaterial.

Included in total committee expenses is £2,009 (2021: £787) which had been reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,064 (2021: £1,602) was paid by the Society. The Honorary Treasurer has chosen not to draw an honorarium.

7. STAFF COSTS

The cost of staff employed by the National Society for the year ended 31 December 2022 is as below:

	2022	2021
	£	£
Gross salaries	1,121,834	606,614
National insurance	129,290	71,826
Pension costs	135,828	75,201
Total	1,386,952	753,641

	2022	2021
	30	22
Average headcount		

Included within these costs is £nil (2021: £47,522) termination costs in relation to zero (2021: one) employees. The charity considers its key management personnel to consist of the Chief Education Officer, the Executive Director of Education, the Director of SIAMS, the Head of Operations and the Head of Professional Learning. During the year the National Society contributed £327,622 (2021: £211,783) in relation to its share of their employee benefits. There were 2 employees (2021: 3 employees) who were paid between £60,001 and £70,000, and one employee (2021: 0 employees) who was paid between £70,001 and £80,000 in relation to work carried out for the National Society.

8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2022	2021
	£	As restated £
Turnover	1,922,423	626,969
Cost of sales	(2,220,503)	(740,441)
Profit before taxation	(298,080)	(113,472)
Tax on profit	-	-
Charitable donation	-	(214,033)

	2022	2021
	£	£
Current assets	614,544	527,308
Creditors	(1,025,996)	(640,680)
Net assets	(411,452)	(113,372)

Capital and reserves

Called up share capital	100	100
Profit and loss account	(411,552)	(113,472)
Total shareholder's funds	(411,452)	(113,372)

Church of England Educational Services Limited is a trading subsidiary incorporated in England and Wales where the National Society own all 100 £1 ordinary shares. It undertakes a similar activity to the parent. A summary of the trading results are shown above. Audited financial statements have been filed with the Registrar of Companies. The distributable net profit has now been distributed to the National Society as a charitable donation under gift aid.

9. PENSIONS

The National Society participates in two separate pension schemes operated by the Church of England Pensions Board:- the Church of England Defined Benefit Pension Scheme (DBS) (which is one section of the Church Workers Pension Fund) and the Church Administrators Pension Fund which is split into two sections, a defined benefits section and a money purchase section.

Church of England Defined Benefit Pension Scheme (DBS)

This is part of the Church Workers Pension Fund and is operated in respect of staff who joined The National Society before 1 January 2000.

The National Society is unable to identify its share of the underlying assets and liabilities of the DBS as each participating employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and The National Society's future contribution rate was revised with effect from 1 April 2012 and a deficit recovery plan was introduced from the same date. The last fund valuation carried out yields an estimated outstanding deficit at 31 December 2016 of £26,700. Investigations carried out since the last report have identified that some employees previously identified as employees of the National Society were employed under the joint employer arrangements operated by the National Church Institutions (NCIs).

Church Administrators Pension Fund (CAPF)

The Defined Benefit Section is for members who joined the Fund before 1 July 2006. Each participating employer in the section pays contributions at a common contribution rate applied to their members' Pensionable Salaries.

The Defined Benefit Section is considered to be a multi-employer, last man standing defined benefit pension scheme, as described in Section 28 of FRS 102. The Employer is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. 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.

A valuation of this section is carried out every three years, the most recent having been at 31 December 2019. This revealed a deficit of £9.1m. Following the valuation, the employers have collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries with effect from 1 January 2021. The NCIs as a whole have assumed responsibility for the Society's CAPF DB deficit contributions and therefore there is no liability for the Society.

10. INVESTMENTS

Group	Property £	Investments £	2022 £	Property £	Investments £	2021 £
Market value at 1 January	2,047,688	12,692,153	14,739,841	1,817,500	11,578,755	13,396,255
Disposals	-	(668,943)	(668,943)	-	(920,410)	(920,410)
Acquisitions	-	773,721	773,721	-	753,796	753,796
Gain/ (loss) on revaluation	(105,938)	(1,621,839)	(1,727,777)	230,188	1,280,012	1,510,200
Market value at 31 December	1,941,750	11,175,092	13,116,842	2,047,688	12,692,153	14,739,841
Cash held by investment manager	-	5,364	5,364	-	164,418	164,418
Total investment balances	1,941,750	11,180,456	13,122,206	2,047,688	12,856,571	14,904,259
 Historical cost at 31 December	 30,327	 8,371,010	 8,401,337	 30,327	 8,177,372	 8,207,699

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2022:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

	2022	2021
	£	£
CCLA CBF Investment Fund	1,096,058	1,241,562
CCLA CBF Property Fund	891,215	1,009,674

	Unlisted investments	Property	Investments	2022
Charity	£	£	£	£
Market value at 1 January 2022	100	2,047,688	12,692,153	14,739,941
Disposals	-	-	(668,943)	(668,943)
Acquisitions	-	-	773,721	773,721
Loss on revaluation	-	(105,938)	(1,621,839)	(1,727,777)
Market value at 31 December 2022	100	1,941,750	11,175,092	13,116,942
Cash held by investment manager	-	-	5,364	5,364
Total investment balances	100	1,941,750	11,180,456	13,122,306
Historical cost at 31 December	100	30,327	8,371,010	8,401,437

	Unlisted investments	Property	Investments	2021
Charity	£	£	£	£
Market value at 1 January 2021	100	1,817,500	11,578,755	13,396,355
Disposals	-	-	(920,410)	(920,410)
Acquisitions	-	-	753,796	753,796
Gain on revaluation	-	230,188	1,280,012	1,510,200
Market value at 31 December 2021	100	2,047,688	12,692,153	14,739,941
Cash held by investment manager	-	-	164,418	164,418
Total investment balances	100	2,047,688	12,856,571	14,904,359
Historical cost at 31 December 2021	100	30,327	8,177,372	8,207,799

Unlisted investments are as below:

	Registered Office	Class of shares held	Holding direct	Nature of business
Church of England Educational Services	England	Ordinary	100%	Education

11. DEBTORS

	Group 2022	2021	Charity 2022	2021
	£	£	£	£
Amounts due within one year:				
Prepayments & accrued income	140,352	128,423	24,755	155,301
Trade debtors	567,225	275,299	103,509	150,267
Amounts due from subsidiary	-	-	469,026	234,033
	707,577	403,722	597,290	539,601

12. CREDITORS

	Group		Charity	
	2022	2021 As restated	2022	2021
<i>Amounts due within one year:</i>	£	£	£	£
Accrued expenditure	387,964	327,841	102,170	121,720
Other taxation and social security	141,478	35,169	489	-
Deferred income	157,500	275,725	157,500	275,725
Trade creditors	173,054	153,002	42,867	108,497
Other creditors	16,061	6,644	16,061	4,728
	<u>876,057</u>	<u>798,381</u>	<u>319,087</u>	<u>510,670</u>

Reconciliation of deferred income

	2022 £
Deferred at 1 January 2022	275,725
Released during the year	(275,725)
Deferred during the year	157,500
Deferred at 31 December 2022	<u>157,500</u>

£157,500 was deferred during the year in respect of SIAMS inspections planned for 2023.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2022 are represented by:

	Unrestricted funds	Restricted funds	2022	Unrestricted funds As restated	Restricted funds	2021 As restated
Group	£	£	£	£	£	£
Fixed assets	12,795,668	326,538	13,122,206	14,904,259	-	14,904,259
Current assets	1,050,709	383,145	1,433,854	1,180,645	720,547	1,901,192
Current liabilities	(876,057)	-	(876,057)	(798,381)	-	(798,381)
Total net assets	<u>12,970,320</u>	<u>709,683</u>	<u>13,680,003</u>	<u>15,286,523</u>	<u>720,547</u>	<u>16,007,070</u>

	Unrestricted funds	Restricted funds	2022	Unrestricted funds	Restricted funds	2021
Charity	£	£	£	£	£	£
Fixed assets	12,795,768	326,538	13,122,306	14,904,359	-	14,904,359
Current assets	905,191	383,145	1,288,336	1,006,304	720,547	1,726,851
Current liabilities	(319,087)	-	(319,087)	(510,670)	-	(510,670)
Total net assets	<u>13,381,872</u>	<u>709,683</u>	<u>14,091,555</u>	<u>15,399,993</u>	<u>720,547</u>	<u>16,120,540</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Reconciliation of movements in unrealised gains on investment assets:

Group	Unrestricted funds £	2022 £	Unrestricted funds £	2021 £
Unrealised gains at 1 January	6,504,162	6,504,162	5,228,153	5,228,153
Realised losses in respect of disposals	(55,516)	(55,516)	(234,011)	(234,011)
			4,994,142	4,994,142
Net gain arising on revaluations	(1,727,777)	(1,727,777)	1,510,200	1,510,200
Unrealised gains at 31 December	4,720,869	4,720,869	6,504,162	6,504,162

Charity	Unrestricted funds £	2022 £	Unrestricted funds £	2021 £
Unrealised gains at 1 January	6,504,162	6,504,162	5,228,153	5,228,153
Realised gains in respect of disposals	(55,516)	(55,516)	(234,011)	(234,011)
			4,994,142	4,994,142
Net gain arising on revaluations	(1,727,777)	(1,727,777)	1,510,020	1,510,020
Unrealised gains at 31 December	4,720,869	4,720,869	6,504,162	6,504,162

14. UNRESTRICTED FUNDS

The movements on the unrestricted funds of the Group are as follows:

	Balance as at 1 January 2022 As restated £	Income £	Expenditure £	Other movements £	Balance as at 31 December 2022 £
General Fund	15,285,501	2,675,573	(3,098,412)	(1,893,364)	12,969,298
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
– SIAMS Development Fund	-	-	(4,795)	4,795	-
– NPQ Development Fund	-	-	(1,931)	1,931	-
Total	15,286,523	2,675,573	(3,105,138)	(1,886,638)	12,970,320

	Balance as at 1 January 2021 £	Income £	Expenditure £	Other movements £	Balance as at 31 December 2021 As restated £
General Fund	14,170,708	1,105,412	(1,371,750)	1,381,131	15,285,501
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
– Foundation project	192,311	-	-	(192,311)	-
– SIAMS Development Fund	-	50,000	(91,003)	41,003	-
– NPQ Development Fund	-	88,831	(110,266)	21,435	-
Total	14,364,041	1,244,243	(1,573,019)	1,251,258	15,286,523

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

The designated funds are held for the following purposes:

SIAMS	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
Foundation project	This represented the unrestricted part of the Foundation Project which aims to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
SIAMS Development Fund	To fund systems and set up for national coordination of SIAMS inspections.
NPQ Development Fund	To fund systems and set up for the new range of NPQ programmes.

15. RESTRICTED FUNDS

The income funds of the Society include restricted funds comprising the following unexpended balances of grants held as funds to be applied for specific purposes:

	Balance as at 1 January 2022 £	Income £	Expenditure £	Transfers £	Balance as at 31 December 2022 £
Foundation	26,059	3,167	(162,028)	158,861	26,059
S48 School Inspections	157,907	436,242	(404,692)	-	189,457
RE, CW & Character Working Group	132,246	15,000	(50,469)	-	96,777
Fresh Voices	17,868	-	(483)	-	17,385
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	(34,835)	-	6,536
Resourcing School Worship	5,815	-	(1,350)	-	4,465
Big Story App	90,014	-	(1,750)	-	88,264
Growing Faith Foundation	150,000	256,209	(221,561)	-	184,648
Free Schools Project	17,951	-	-	-	17,951
Big Questions in the Classroom	59,112	-	(3,175)	-	55,937
	<u>720,547</u>	<u>710,618</u>	<u>(880,343)</u>	<u>158,861</u>	<u>709,683</u>

A transfer was made from the general fund to cover expenditure relating to the work of the Foundation.

	Balance as at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance as at 31 December 2021 £
Foundation	49,200	25,001	(304,135)	255,993	26,059
S48 School Inspections	83,176	112,925	(38,194)	-	157,907
RE, CW & Character Working Group	117,626	15,000	(380)	-	132,246
Fresh Voices	41,565	-	(23,697)	-	17,868
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	-	-	41,371
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	90,014	-	-	-	90,014
Free Schools Project	-	150,000	-	-	150,000
Admissions Builder	18,445	-	(494)	-	17,951
Rural Schools Network	32,658	-	(35,608)	2,950	-
Big Questions in the Classroom	63,612	-	(4,500)	-	59,112
	<u>565,686</u>	<u>302,926</u>	<u>(407,008)</u>	<u>258,943</u>	<u>720,547</u>

15. RESTRICTED FUNDS (continued)

The funds are held for the following purposes:

Foundation for Educational Leadership	Project to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
S48 School Inspections	Funding for school inspections required under Section 48 of the Education Act 2005.
RE, CW & Character Working Group	Funding to improve the quality of religious education in Church of England Schools.
Fresh Voices	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
Unlocking Gifts	Project to support Diocesan bids to raise school achievement.
Living Well Together Project	Project to provides a welcome first step to more collaborative working, for the common good of society.
CSoF: Church School of the Future	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
National Governance Resources	Funding for a suite of resources for school governance.
Resourcing School Worship	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
Valuing All God's Children	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
Free Schools Project	To support dioceses in the bidding process for the government's free schools project.
Admissions Builder	Creation of a new admissions platform.
Big Story App	Funding to develop digital resources for the Growing Faith Foundation.
Big Questions in the Classroom	Funding to run a Science and Belief research programme as part of the Big Questions in the Classroom project, working with our secondary schools network.
Growing Faith Foundation	Core funding of the new Growing Faith Foundation.

16. RELATED PARTIES

A number of the Trustees are employed by their local Diocese who work closely with the Charity in the course of normal charity operations.

17. TRUSTEESHIP

The National Society is the Trustee at 31 December 2022 for the following trusts:

Alton School Teachers House
 Knighton School
 Vaughan Trust
 Walcot School

Trusts transferred or closed by 31 December 2022 - None

The assets held on behalf of these trusts are held in the name of the National Society Trusts Funds and comprise:

	2022		2021	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	123,070	5,691	139,409
RBS Deposit Account	-	-	7,474	7,474
Lloyds Account	7,474	7,474	-	-
	<u>13,165</u>	<u>130,544</u>	<u>13,165</u>	<u>146,883</u>

Accounts

**The National Society
(Church of England and Church in Wales)
for the Promotion of Education**

Annual report and financial statements
for the year ended 31 December 2021

Registered Charity number 313070

REFERENCE AND ADMINISTRATIVE INFORMATION

Mission Statement	Deeply Christian, Serving the Common Good.	
Legal structure	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
Patron	Her Majesty The Queen	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Paul Butler, Bishop of Durham	
Hon Treasurer	Revd Canon Peter Ballard	
Chief Education Officer	Revd Canon Nigel Genders	
Offices	Church House Great Smith Street London SW1P 3AZ	
Telephone	020 7898 1066	
Email	lisa.osborne@churchofengland.org	
Website	www.churchofengland.org	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Bankers	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
Investment Managers	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
Solicitors	The Society uses a panel of solicitors who provide advice in line with their expertise.	

REFERENCE AND ADMINISTRATIVE INFORMATION

The Council who served during the year and as at 7 June 2022 are shown below.

Chair Rt Revd Paul Butler, Bishop of Durham

Treasurer Revd Canon Peter Ballard

Other Council members

Name

Professor David Ford
Professor Joy Carter (until November 2021)
Canon Simon Lloyd
Rt Revd June Osborne (until February 2022)
Mrs Rosemary Lyon
Canon Sue Witts (until April 2021)
Revd Jeremy Fletcher
Mrs Marion Plant
Mr Andrew Smith
Canon Dr Addy Lazz-Onyenobi (from June 2021)
Professor Jean Noel Ezingear (from June 2021)
Ms Sonia Thompson (from November 2021)
Rt Revd Mary Stallard (from February 2022)

Appointed / elected by

Archbishops of Canterbury and York
Archbishops of Canterbury and York
Governing Body of Church in Wales
Governing Body of Church in Wales
General Synod
General Synod
Archbishops of Canterbury and York
Archbishops of Canterbury and York
Co-option
General Synod
Co-option
Co-option
Governing Body of Church in Wales

**Finance, Investment,
Risk & Audit
Committee**

Revd Canon Peter Ballard (*Chair*)
Ms Michelle Brissett
Ven. Douglas Dettmer
Revd Canon Nigel Genders
Mrs Rosalind Williams
Canon Carolyn Lewis

**Nominations
Committee**

Revd Canon Peter Ballard (*Chair*)
Mrs Marion Plant
Revd Canon Nigel Genders

**Chief Education
Officer
Website**

Revd Canon Nigel Genders
www.churchofengland.org

Introduction

The National Society (Church of England and Church in Wales) for the Promotion of Education ("the National Society") is a Church of England and Church in Wales education service. It was founded by Royal Charter in 1811, with supplemental Charters in 1934, 1972, 1985, 1987, 1997 and 2015, to provide education for all, firmly based on the Christian Gospel and Anglican principles. The Charter states that:

"The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and in Wales and in any other part of the world where the Church of England or churches in communion with it may be at work. The investments and property and all of the income of the Society shall henceforth be applicable for the general purposes of the Society as herein stated."

The Trustees present their annual report and financial statements for the year ended 31 December 2021. The financial statements incorporate the National Society's trading subsidiary company, Church of England Educational Services Limited. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Charities SORP (FRS 102).

Structure, Governance & Management

Organisation and Decision Making

The National Society Council met four times during the year. One meeting was held in person, the remaining three being held remotely.

The Finance and Investment Committee, chaired by the Hon Treasurer, oversees the financial affairs of the Society. It has delegated powers from the Council to scrutinise accounts and make recommendations to the Council, and has responsibility for the management of the Society's investments, receiving reports from the Society's brokers and authorising movement of funds.

The Nominations Committee oversees the appointments to the National Society Council. It meets only when required to fill a Council vacancy or to manage the 5-yearly reconstitution of the Council.

The Society's Solicitors maintained strong links with the Society.

The National Society is one of the National Church Institutions (NCIs) and draws on the expertise and resources of various central services including those relating to Finance & Resources, Human Resources, Office Services and IT, Publishing and the Church of England Records Centre.

Under the 2015 Charter, the National Society Council consists of the following members:

- a) The Chair, appointed by the Archbishops after consultation with the General Synod and Archbishops' Council Appointments Committee.
- b) The Chief Education Officer, appointed by the Chair (who will not be a Trustee, but will have right of attendance).
- c) The Treasurer, appointed by the Chair.
- d) Three Trustees appointed by the Archbishops of Canterbury and York after consultation with the General Synod and Archbishops' Council Appointments Committee
- e) Two Trustees appointed by the Governing Body of the Church in Wales
- f) Two Trustees elected by General Synod
- g) Up to three Trustees co-opted for their skills and expertise.

Structure, Governance & Management (continued)

Organisation and Decision Making (continued)

Under the Byelaws, with the exception of the 3 Co-Presidents, no person shall be capable of becoming a member of the Council if at the time of their nomination, appointment, election or co-option they have attained the age of seventy-two years.

Relationships

The Society has a number of relationships with other bodies through which it co-operates to provide a full range of services to Church Schools in England and Wales, together with international links as appropriate.

In particular, the Society works in close partnership with the Archbishops' Council in all matters relating to education. Some posts are jointly funded by the Society and the Archbishops' Council.

The Society acts as Custodian Trustee of St Christopher's Educational Trust (incorporating the Hughes and Stevens Bequest), and appoints three Governors, one of whom is the Chair. The Trust prepares its own accounts for approval by the Governors.

A number of other small trusts are administered by the Society following gifts during the nineteenth century. Separate accounts and Charity Commission returns are made for these trusts. The Society has links with other organisations nationally and internationally to enable it to provide services and resources to benefit the work of Christian Education.

Trustee Induction and Training

New Trustees receive full information on the legal basis of the Society and the powers and responsibilities of the Council and its members. The Council was newly constituted in 2015 and when re-constituted, all members of the Council received information about the objects and purposes of the Society.

Grant Making Policy

In general terms the National Society is not a grant making trust. However, from time to time the Society makes a limited number of grants to other bodies to enable those recipients to carry out specific work on behalf of the Society.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

The Society keeps under review the risks to its work. The Society has the benefit of the expertise of the NCIs' Internal Auditors. Members of the Council review likely risk areas and policies adopted on a regular basis.

Risk area	Key mitigating strategies
Significant reduction in funds available to the Society, whether through poor investment returns or lack of demand for services, leading to failure to meet business plans and objectives	• Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio • Performance of fund managers are monitored by the Finance and Investment Committee • Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations • Regular review of business plan and objectives taking into account available resources
The Church schools network is out of sync with government education policy and the views or priorities of the wider Church, leading to a fragmented response and reduced resource	• Investment in good relationships with major stakeholders • Monitoring of government developments and responding to consultations as necessary • Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools • Regular reporting to General Synod and House of Bishops
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	• A pan-NCI business continuity plan is in place which encompasses IT disaster recovery • Business continuity contingency plans are tested with emergency contact system and remote working day to ensure systems work as expected and flag up any potential issues • A COVID-19 Business Continuity group, which works across all of the NCIs, has been meeting since 2020
Failure to develop the Foundation work such that it is not sustainable	• Foundation well established through online community, successful national conference and regional networks • New NPQ programme bid was successful which will expand the reach of the Foundation

Objectives and Activities

The objects of the Society are the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales and in any other part of the world where the Church of England or churches in communion with it may be at work.

The original aim of the National Society, as expressed in its name, was the 'promotion of the education of the poor', and the continuing aim of the Society is to provide education to enable the flourishing of children and young people in England and Wales.

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit.

Achievements and Performance

The National Society supports the mission of the Church of England as the largest single provider of education in England in line with the Church of England's role as the established Church, as well as supporting the development of the Church in Wales's work in education through its Church schools. It oversees the work of the Church of England Education Office on behalf of both the Archbishops' Council and the National Society recognising the priorities and objectives of the Archbishops' Council. The National Society's strategic plan for 2020-2025 is summarised as follows:

The Church of England Education Office serves the Church's ministry with children and young people in schools, colleges and universities by:

- i. **Developing leaders** who are called, connected and committed to a vision for education which is deeply Christian, serving the common good
- ii. **Shaping policy** to promote high quality education for all, particularly the poorest and most disadvantaged
- iii. **Growing faith** amongst children and young people through churches, schools/colleges and households

The Society's vision continues to be underpinned by its vision for education: deeply Christian, serving the common good, expressed through our key values of: wisdom, knowledge and skills; hope and aspiration; community and living well together; dignity and respect. Church schools continue to play a vital role at the heart of their communities.

With over one million students attending 4,800 schools in England and Wales, the National Society's responsibility is to advance the breadth of work across 12,600 parishes, Diocesan Boards of Education, schools, colleges and 11 Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world.

2021 activities

Developing Leaders

Since publication of our Church of England vision for Education and the launch of the *Church of England Foundation for Educational Leadership* in 2016, work on leadership development has progressed rapidly.

The Foundation is the mechanism for work on developing leaders and focuses on programmes, networks and research and each of these elements has made considerable progress in 2021 providing much needed opportunities to address the significant challenges arising from the global pandemic, such as the work on mental health and wellbeing as well as a new trauma network.

The National Society prioritised a significant bid to government to become one of the national providers for national professional qualifications (NPQs) and success in this led to the need to rapidly deliver programmes for the whole suite of NPQs. Having recruited, onboarded and started training both Cohort 1 and Cohort 2 of all NPQ Programmes, a full suite which includes NPQ Leading Behaviour and Culture, NPQ Leading Teaching NPQ Leading Teacher Development, NPQ Senior Leadership, NPQ Headship, and NPQ Executive Leadership.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

In order to deliver the programme nationally we have established partnerships with nearly 100 Delivery Partners (a blend of Teaching School Hubs, MATs and High performing schools) who are contracted to deliver programmes in their local areas. This includes around a quarter of all Teaching School Hubs nationally. We have recruited nearly 2000 participants onto Cohort 1 and 2.

This year we have invested in the infrastructure that has been needed to scale up our NPQ provision so significantly, as well as building a much larger staff team.

Key investments include:

- Developing and setting up Salesforce CRM to enable an automated application processing process and data sharing with the DfE
- Setting up Blackboard as the digital learning platform used by participants and facilitators.
- Staffing - including new Programme Officers, Programme Leads, Marketing and Digital Officer, and Regional Delivery Managers.

In addition, we had seven Set Up Milestones agreed with the DfE which were associated with the payments of our set-up fees. All of these milestones have been met, with the final milestone due to be met in mid-June 2022.

During 2021 the government required the contract to be retendered so as well as running new programmes for 2,000 participants we have had to devote time to a further bid. We have successfully now been awarded the Framework Agreement for the next five years of NPQ delivery for the above programmes.

Shaping Policy (Schools, FE and HE)

The policy work is a vital element of our core business. The fact that the Church of England and Church in Wales provide a quarter of all primary schools and are statutory providers for 1 million children and young people enables us to have a voice on a range of policy areas. Highlights include the revision of the DBE Measure as well as a complete reshaping of the way Statutory Inspection of Anglican and Methodist Schools (SIAMS) is managed nationally. A new national team for overseeing SIAMS has been successfully recruited and, although inspections had to be suspended for much of the year (because of the impact of Covid-19) there is already recognition that the quality and consistency of inspection has improved as planned.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work.

The Church of England vision for Further Education (FE) *Vocation, Transformation and Hope*, was published in April 2021 and further work has been undertaken to develop the church's offer in FE chaplaincy as part of the journey towards a more formalised connection with a group of FE colleges.

The church's contribution to Higher Education, especially through its Anglican foundation universities, continues to be a focus of policy work. This is particularly important in connection to the significant role these universities play in the training of teachers.

Growing Faith

Our vision for Growing Faith has always been one of influencing wider cultural change within the church so that faith development amongst children and young people is something which embraces the whole of life and where, through partnership between church and school, the role of faith in the home is seen as vitally important.

Having led the conversation on such a culture change the National Society has now developed the concept of a Growing Faith Foundation to lead practical programmes, networks and research to help shape ministry with children and young people in churches, schools and households. The Society successfully applied for grants to cover the work of the Growing Faith Foundation and has subsequently appointed a strong small central team to lead this new foundation's ministry.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The connection between the Growing Faith Foundation and the Foundation for Educational Leadership will enable a sharing of staff resource, systems and approach to bring benefit to both.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the society and we continue to provide national younger leadership groups, comprising around 250 young people in Primary, Secondary and FE. Each of these young people also receives some leadership training opportunities alongside being part of our developmental work in relation to Growing Faith and a range of other key issues including input into the wider Church of England's vision and strategy.

Future plans

The main priorities for 2022 will be to shape and develop the emerging educational landscape for church schools in England as a result of the government White Paper published in March 2022. Significant structural change is expected with a clear direction of travel to a fully academized system. The government's prioritisation of a more regionally focused system is such that the society will need to develop ways to engage effectively at a regional as well as national level.

Further work will be undertaken to ensure the role of the National Society in England and Wales is developed in a way which enables the growth of our three-fold strategy to bring benefit to both England and Wales.

Having developed successful networks of school leaders engaging in issues of equity, diversity and inclusion, we have secured more resource to enable detailed work on leadership development and curricula development in these areas.

The success of securing a large government contract to deliver NPQs and grants to develop the Growing Faith Foundation will require further strengthening of the staff team to sustain the rapid growth that we have enjoyed and ensure that we are well placed to develop other initiatives and programmes to maximise the impact of our vision for education and improve the outcomes for children and young people.

We will continue the Society's vital role in promoting the Church's place in the national education system, including:

- The development of visionary leadership and networks and programmes to support the development of educational leaders.
- Continued discussion with ministers, negotiation with the Department for Education, including over arrangements for academy conversions, trusts and other collaborative arrangements.
- Improved and new relationships with ministers and other organisations active in the FE and HE sector, ensuring input into a wide range of policy areas.
- Support for individual dioceses in strategic development.
- Support for DBEs as they develop their academies structures and services.
- Support for dioceses reviewing their arrangements to support chaplaincy in FE and HE and individual chaplaincy audits and advice for colleges and universities.
- Availability of National Society contracts of employment for all school staff.
- National oversight of all denominational inspection (SIAMS).
- Responding on behalf of the Church of England to government consultations and to other national agency contacts.
- Supporting school and college chaplains especially through the development of the Growing Faith Foundation.
- Ensuring the preservation of the archive of the Church of England's work in education, including the records of many Church schools and colleges.

Financial Review

Summary of Results

Total consolidated income for the year was £1,547,169, being an increase of £94,511 on the previous year (2020: £1,452,568). Total consolidated expenditure for the year was £1,828,477, an increase of £402,510 on the previous year (2020: £1,452,658). Net expenditure for the year was £281,308 before total investment gains of £1,510,201 (2020: Net income of £26,601 before total investment losses of £491,803). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a profit of £38,078 (2020: £214,033), with a turnover of £626,969 (2020: £674,529) and total expenditure of £588,891 (2020: £460,496).

Investment Strategy, Powers and Restrictions

The Society's Investment Strategy reflects the long-term nature of the enterprise. With the help of expert professional advisers, reserves are invested in a mixed portfolio of equities, fixed interest securities and property. Ethical considerations are taken into account and the Society follows the advice given by the Church of England Ethical Investment Advisory Group. The investment objective is to maintain the real value of the Society's assets while securing a steady growth in investment income. Both the requirement of prudence and the need for a reliable income flow prompts the Society to invest for "value" rather than "growth".

Investment Performance

2021 saw a significant improvement in the performance of the investment markets, driven by increased confidence in the economy after the end of lockdown and the success of the COVID-19 vaccine roll out. Total stocks and shares investment income increased by £26,957 to £438,420 in 2021, representing an income yield of 3.5% in 2021 (2020: 3.5%). Total gains on the stocks and shares investments were £1,280,212 (2020: loss of £446,446).

During the year the Society has reassessed the value of its investment properties and has booked revaluation gains for both properties, being £143,188 in respect of the Great Peter Street property and £87,000 in respect of Fairwinds, resulting in a total revaluation gain of £230,188.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2021 and as a voluntary body the Society relies on investment income, conference and course fees, Diocesan contributions, donations, and legacies to fund its normal activities.

Reserves Policy

At 31 December 2021, the Society held total reserves of £16,158,620, of which £720,547 was held in restricted funds. Unrestricted reserves totalled £15,438,073, of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £15,437,051 and excluding the investment balances of £14,904,259 gives free reserves of £532,792.

The Society's target is to hold between three and six months of unrestricted expenditure as free reserves excluding investment balances. This equates to between £355,367 and £710,735. The balance of £532,792 at 31 December 2021 means that the Society currently holds approximately 4.5 months of unrestricted expenditure in free reserves excluding investment balances.

The Society's investments are held in order to provide a reasonable contribution to operating costs through income and capital gains while maintaining a capital value sufficient to provide a stable financial outlook in the medium term. Having considered all relevant factors, including the present benefit from the contribution to operating costs and ensuring inter-generational equity without accumulating excessive reserves, the Society believes that it should hold between fifteen and twenty years of unrestricted expenditure, excluding expenditure on trading activities, in investments. This is between £14.3m and £19m. The current investment balances of £14.4m are just within this range.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary CEES, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans enacted in response to the initial emergency, which have substantially altered ways of working.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Staff remuneration and executive pay

All the staff of the National Society are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

The roles of the Chief Executive and Executive Director of Education sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice.
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was authorised for issue by the Council on 7 June 2022 and signed on its behalf by:

Paul Butler

Paul Butler (Jul 18, 2022 17:26 GMT+1)

Rt Revd Paul Butler
Chairman

P J Ballard

P J Ballard (Jul 18, 2022 09:54 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Opinion

We have audited the financial statements of The National Society (Church of England and Church in Wales) for the Promotion of Education ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2021 and of the group's/its income and expenditure, 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 Charities Act 2011.

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 charity / group 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 trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 21 October 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated		Unrestricted Funds	Restricted Funds	2021 Total	Unrestricted Funds	Restricted Funds	2020 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		110,000	190,000	300,000	10,005	128,612	138,617
Charitable activities	3	22,175	112,875	135,050	-	170,050	170,050
Other trading activities		626,969	-	626,969	674,243	-	674,243
Investments	2	483,788	51	483,839	463,473	389	463,862
Other income	4	1,311	-	1,311	5,886	-	5,886
Total income		1,244,243	302,926	1,547,169	1,153,607	299,051	1,452,658
Expenditure on:							
Raising funds		47,202	-	47,202	42,138	-	42,138
Charitable activities	5	904,311	407,008	1,311,319	514,946	488,808	1,003,754
Other trading expenditure		469,956	-	469,956	380,075	-	380,075
Total expenditure		1,421,469	407,008	1,828,477	937,159	488,808	1,425,967
Net (expenditure) income before gains/(losses) on investments		(177,226)	(104,082)	(281,308)	216,448	(189,757)	26,691
Gains/(losses) on investments	10	1,510,201	-	1,510,201	(491,803)	-	(491,803)
Net income (expenditure)		1,332,975	(104,082)	1,228,893	(275,355)	(189,757)	(465,112)
Transfers between funds	15	(258,943)	258,943	-	(12,650)	12,650	-
Net movement in funds		1,074,032	154,861	1,228,893	(288,005)	(177,107)	(465,112)
Total funds at 1 January:		14,364,041	565,686	14,929,727	14,652,046	742,793	15,394,839
Total funds at 31 December		15,438,073	720,547	16,158,620	14,364,041	565,686	14,929,727

The balances for both financial years relate to continuing operations.

The notes 1 to 17 form part of these Financial Statements

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Charity	
		2021 Total £	2020 Total £	2021 Total £	2020 Total £
Fixed assets					
Investment property	10	2,047,688	1,817,500	2,047,688	1,817,500
Investments	10	12,856,571	11,618,352	12,856,671	11,618,452
		14,904,259	13,435,852	14,904,359	13,435,952
Current assets					
Debtors	11	403,722	235,929	539,601	160,716
Cash & cash equivalents		1,497,470	1,592,512	1,187,250	1,195,464
		1,901,192	1,828,441	1,726,851	1,356,180
Liabilities					
Creditors: amounts falling due within one year	12	(646,831)	(334,566)	(510,670)	(76,438)
Net current assets		1,254,361	1,493,875	1,216,181	1,279,742
Total net assets		16,158,620	14,929,727	16,120,540	14,715,694
The funds of the charity:					
Restricted funds		720,547	565,686	720,547	565,686
Unrestricted funds:					
. Designated funds		1,022	193,333	1,022	193,333
. General funds		15,437,051	14,170,708	15,398,971	13,956,675
Total funds	13	16,158,620	14,929,727	16,120,540	14,715,694

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 7 June 2022 and signed on its behalf by:

Paul Butler
Paul Butler (Jul 18, 2022 17:26 GMT+1)
Rt Revd Paul Butler
Chairman

P J Ballard
P J Ballard (Jul 18, 2022 09:54 GMT+1)
Revd Canon Peter Ballard
Honorary Treasurer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net income / (expenditure) for the year (as per the statement of financial activities)		1,228,893	(465,112)
Investment income	2	(483,839)	(463,852)
(Gains) / losses on investments	10	(1,280,012)	491,803
Increase / (decrease) in creditors	12	312,265	(184,107)
(Increase) in debtors	11	(167,792)	(89,738)
Net cash flow used in operating activities		(390,485)	(711,006)
Cash flows from investing activities			
Investment income received	2	483,839	463,852
Purchase of investments	10	(753,796)	(910,967)
Sales of investments	10	920,410	933,330
Revaluation gain on investment property	10	(230,188)	-
Net cash flow provided by / (used in) investing activities		420,265	486,215
Change in cash and cash equivalents in the year		29,780	(224,791)
Cash and cash equivalents at 1 January 2021		1,632,109	1,856,900
Cash and cash equivalents at 31 December 2021		1,661,888	1,632,109
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,497,470	1,592,512
Cash held by investment managers	10	164,418	39,597
		1,661,888	1,632,109

The Society has no debt and therefore the reconciliation in cash and cash equivalents also represents the analysis of changes in net debt.

The notes 1 to 17 form part of these Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The National Society meets the definition of a public benefit entity under FRS 102.

The National Society has taken advantage of the exemption in FRS102 from the requirement to prepare a Charity cash flow statement.

The subsidiary company has been consolidated on a line-by-line basis.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans it has enacted in response to the initial emergency, which have substantially altered ways of working.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Income

Income is recognised in the period in which the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and the amount can be measured reliably and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and basis of allocation of costs

Expenditure, including the related irrecoverable VAT, is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Most costs are directly attributable to specific activities. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs & administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been apportioned on the basis of time spent on various activities.

1. ACCOUNTING POLICIES (continued)

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the statement of financial activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The National Society participates in two pension schemes for the benefit of its employees - the Defined Benefit Pension Scheme (DBS), which is one section of the Church Workers Pension Fund and the Church Administrators Pension Fund which is split into two sections. For employees who joined before 1 July 2006 there is a Defined Benefits Section and for those joining after that date there is a Money Purchase Section. For further details please see note 9.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The National Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Investment properties:

The Society carries its investment properties at fair value being recognised in the Statement of Financial Activities. See note 10 for more information.

Expenditure allocations:

Expenditure is apportioned where it relates to more than one cost category (see note 5).

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Interest receivable	368	51	419	7,399
Dividends receivable	438,420	-	438,420	411,463
Rents receivable	45,000	-	45,000	45,000
Total	483,788	51	483,839	463,862

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Section 48 inspections	22,175	(18,675)	3,500	170,050
Diocesan contribution	-	131,550	131,550	-
Total	22,175	112,875	135,050	170,050

4. OTHER INCOME

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Government grants	-	-	-	5,842
Royalties received	1,311	-	1,311	44
Total	1,311	-	1,311	5,886

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Direct costs	Support costs	2021	2020
	£	£	£	£
Shaping Policy	484,863	190,505	675,368	574,529
Developing Leaders	453,667	182,284	635,951	429,225
Total	938,530	372,789	1,311,319	1,003,754

6. ANALYSIS OF SUPPORT COSTS

	2021	2020
	£	£
Staff costs	118,281	87,796
Shared service costs	106,971	65,397
Archiving costs	34,050	38,853
Office rent	31,329	34,066
Audit fees	9,240	13,800
Committee expenses	787	1,834
Legal fees	29,086	20,774
Trustees' indemnity insurance	1,602	878
Other	41,443	32,968
Total	372,789	296,366

All support costs are allocated to charitable activities because any allocation between raising funds and charitable activities is immaterial.

Included in total committee expenses is £787 (2020: £1,675) which had been reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,602 (2020: £878) was paid by the Society. The Honorary Treasurer has chosen not to draw an honorarium.

7. STAFF COSTS

The cost of staff employed by the National Society for the year ended 31 December 2021 is as below:

	2021	2020
	£	£
Gross salaries	606,614	405,839
National insurance	71,826	46,735
Pension costs	75,201	58,672
Total	753,641	511,246

	2021	2020
Average headcount	22	11

Included within these costs is £47,522 (2020: £1,790) termination costs in relation to one (2020: one) employee. The charity considers its key management personnel to consist of the Chief Education Officer, the Executive Director of Education and the Director of SIAMS. During the year the National Society contributed £211,783 (2020: £241,900) in relation to its share of their employee benefits. There were 3 employees (2020: 1 employee) who were paid between £60,001 and £70,000 in relation to work carried out for the National Society.

8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2021	2020
	£	£
Turnover	626,969	674,529
Cost of sales	(588,891)	(460,496)
Profit before taxation	38,078	214,033
Tax on profit	-	-
Charitable donation	(214,033)	(104,491)
	2021	2020
	£	£
Current assets	527,308	550,236
Creditors	(489,130)	(336,103)
Net assets	38,178	214,133
Capital and reserves		
Called up share capital	100	100
Profit and loss account	38,078	214,033
Total shareholder's funds	38,178	214,133

Church of England Educational Services Limited is a trading subsidiary incorporated in England and Wales where the National Society own all 100 £1 ordinary shares. It undertakes a similar activity to the parent. A summary of the trading results are shown above. Audited financial statements have been filed with the Registrar of Companies. The distributable net profit has now been distributed to the National Society as a charitable donation under gift aid.

9. PENSIONS

The National Society participates in two separate pension schemes operated by the Church of England Pensions Board:- the Church of England Defined Benefit Pension Scheme (DBS) (which is one section of the Church Workers Pension Fund) and the Church Administrators Pension Fund which is split into two sections, a defined benefits section and a money purchase section.

Church of England Defined Benefit Pension Scheme (DBS)

This is part of the Church Workers Pension Fund and is operated in respect of staff who joined The National Society before 1 January 2000.

The National Society is unable to identify its share of the underlying assets and liabilities of the DBS as each participating employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and The National Society's future contribution rate was revised with effect from 1 April 2012 and a deficit recovery plan was introduced from the same date. The last fund valuation carried out yields an estimated outstanding deficit at 31 December 2016 of £26,700. Investigations carried out since the last report have identified that some employees previously identified as employees of the National Society were employed under the joint employer arrangements operated by the National Church Institutions (NCIs).

Church Administrators Pension Fund (CAPF)

The National Society, in line with all other National Church Institutions, is now required to contribute towards Church Administrators Pension Fund (CAPF) in respect of staff not included in the DBS and to the overall deficit in the CAPF defined benefit section.

The **Defined Benefit Section** is for members who joined the Fund before 1 July 2006. Each participating employer in the section pays contributions at a common contribution rate applied to their members' Pensionable Salaries.

9. PENSIONS

The Defined Benefit Section is considered to be a multi-employer, last man standing defined benefit pension scheme, as described in Section 28 of FRS 102. The Employer is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. 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.

A valuation of this section is carried out every three years, the most recent having been at 31 December 2019. This revealed a deficit of £9.1m. Following the valuation, the employers have collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries with effect from 1 January 2021. The NCI's as a whole have assumed responsibility for the Society's CAPF DB deficit contributions and therefore there is no liability for the Society.

10. INVESTMENTS

Group	Property £	Investments £	2021 £	Property £	Investments £	2020 £
Market value at 1 January	1,817,500	11,578,755	13,396,255	1,862,857	12,047,564	13,910,421
Disposals	-	(920,410)	(920,410)	-	(933,330)	(933,330)
Acquisitions	-	753,796	753,796	-	910,967	910,967
Gain/ (loss) on revaluation	230,188	1,280,012	1,510,200	(45,357)	(446,446)	(491,803)
Market value at 31 December	2,047,688	12,692,153	14,739,841	1,817,500	11,578,755	13,396,255
Cash held by investment manager	-	164,418	164,418	-	39,597	39,597
Total investment balances	2,047,688	12,856,571	14,904,259	1,817,500	11,618,352	13,435,852
Historical cost at 31 December	30,327	8,244,770	8,275,097	30,327	8,177,372	8,207,699

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2021:

	2021 £	2020 £
CCLA CBF Investment Fund	1,241,562	1,085,483
CCLA CBF Property Fund	1,009,674	883,655

Charity	Unlisted investments £	Property £	Investments £	2021 £
Market value at 1 January 2021	100	1,817,500	11,578,755	13,396,355
Disposals	-	-	(920,410)	(920,410)
Acquisitions	-	-	753,796	753,796
Gain on revaluation	-	230,188	1,280,012	1,510,200
Market value at 31 December 2021	100	2,047,688	12,692,153	14,739,941
Cash held by investment manager	-	-	164,418	164,418
Total investment balances	100	2,047,688	12,856,571	14,904,359
Historical cost at 31 December	100	30,327	8,177,372	8,207,799

10. INVESTMENTS (continued)

Charity	Unlisted investments £	Property £	Investments £	2020 £
Market value at 1 January 2020	100	1,862,857	12,047,564	13,910,521
Disposals	-	-	(933,330)	(933,330)
Acquisitions	-	-	910,967	910,967
(Loss) on revaluation	-	(45,357)	(446,446)	(491,803)
Market value at 31 December 2020	100	1,817,500	11,578,755	13,396,355
Cash held by investment manager	-	-	39,597	39,597
Total investment balances	100	1,817,500	11,618,352	13,435,952
Historical cost at 31 December 2020	100	30,327	8,177,372	8,207,799

Unlisted investments are as below:

	Registered Office	Class of shares held	Holding direct	Nature of business
Church of England Educational Services	England	Ordinary	100%	Education

11. DEBTORS

	Group 2021 £	2020 £	Charity 2021 £	2020 £
<i>Amounts due within one year:</i>				
Prepayments & accrued income	128,423	32,919	155,301	32,919
Trade debtors	275,299	203,010	150,267	49,822
Amounts due from subsidiary	-	-	234,033	77,975
	403,722	235,929	539,601	160,716

12. CREDITORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
<i>Amounts due within one year:</i>				
Accrued expenditure	176,291	49,988	121,720	26,980
Other taxation and social security	35,169	132,438	-	-
Deferred income	275,725	88,604	275,725	-
Trade creditors	153,002	62,350	108,497	48,272
Other creditors	6,644	1,186	4,728	1,186
	<u>646,831</u>	<u>334,566</u>	<u>510,670</u>	<u>76,438</u>

Reconciliation of deferred income

	2021
	£
Deferred at 1 January 2021	88,604
Released during the year	88,604
Deferred during the year	<u>275,725</u>
Deferred at 31 December 2021	<u>275,725</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2021 are represented by:

	Unrestricted funds	Restricted funds	2021	Unrestricted funds	Restricted funds	2020
Group	£	£	£	£	£	£
Fixed assets	14,904,259	-	14,904,259	13,435,852	-	13,435,852
Current assets	1,180,645	720,547	1,901,192	1,262,755	565,686	1,828,441
Current liabilities	(646,831)	-	(646,831)	(334,566)	-	(334,566)
Total net assets	<u>15,438,073</u>	<u>720,547</u>	<u>16,158,620</u>	<u>14,364,041</u>	<u>565,686</u>	<u>14,929,727</u>

	Unrestricted funds	Restricted funds	2021	Unrestricted funds	Restricted funds	2020
Charity	£	£	£	£	£	£
Fixed assets	14,904,359	-	14,904,359	13,435,952	-	13,435,952
Current assets	1,006,304	720,547	1,726,851	790,494	565,686	1,356,180
Current liabilities	(510,670)	-	(510,670)	(76,438)	-	(76,438)
Total net assets	<u>15,399,993</u>	<u>720,547</u>	<u>16,120,540</u>	<u>14,150,008</u>	<u>565,686</u>	<u>14,715,694</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Reconciliation of movements in unrealised gains on investment assets:

Group	Unrestricted funds	2021	Unrestricted funds	2020
	£	£	£	£
Unrealised gains at 1 January	5,228,153	5,228,153	5,365,188	5,365,188
Realised gains in respect of disposals	(234,011)	(234,011)	354,768	354,768
	<u>4,994,142</u>	<u>4,994,142</u>	<u>5,719,956</u>	<u>5,719,956</u>
Net gain arising on revaluations	1,510,200	1,510,200	(491,803)	(491,803)
Unrealised gains at 31 December	<u>6,504,162</u>	<u>6,504,342</u>	<u>5,228,153</u>	<u>5,228,153</u>

Charity	Unrestricted funds	2021	Unrestricted funds	2020
	£	£	£	£
Unrealised gains at 1 January	5,228,153	5,228,153	5,365,188	5,365,188
Realised gains in respect of disposals	(234,011)	(234,011)	354,858	354,768
	<u>4,994,142</u>	<u>4,994,142</u>	<u>5,720,046</u>	<u>5,719,956</u>
Net gain arising on revaluations	1,510,020	1,510,200	(491,803)	(491,803)
Unrealised gains at 31 December	<u>6,504,162</u>	<u>6,504,342</u>	<u>5,228,243</u>	<u>5,228,153</u>

14. UNRESTRICTED FUNDS

The movements on the unrestricted funds of the Group are as follows:

	Balance as at 1 January 2021	Income	Expenditure	Other movements	Balance as at 31 December 2021
	£	£	£	£	£
General Fund	14,170,708	1,105,412	(1,210,728)	1,413,342	15,478,734
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
– Foundation project	192,311	-	-	(192,311)	-
– SIAMS Development Fund	-	50,000	(91,003)	41,003	-
– NPQ Development Fund	-	88,831	(110,266)	21,435	-
Total	<u>14,364,041</u>	<u>1,244,243</u>	<u>(1,411,997)</u>	<u>1,283,469</u>	<u>15,479,756</u>

	Balance as at 1 January 2020	Income	Expenditure	Other movements	Balance as at 31 December 2020
	£	£	£	£	£
General Fund	14,458,713	1,153,607	(937,159)	(504,453)	14,170,708
Designated funds:					
SIAMS	1,022	-	-	-	1,022
– Foundation project	192,311	-	-	-	192,311
Total	<u>14,652,046</u>	<u>1,153,607</u>	<u>(937,159)</u>	<u>(504,453)</u>	<u>14,364,041</u>

The designated funds are held for the following purposes:

Designated fund – SIAMS	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Designated fund – Foundation project This represented the unrestricted part of the Foundation Project which aims to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.

Designated fund – SIAMS Development Fund To fund systems and set up for national coordination of SIAMS inspections.

Designated fund – NPQ Development Fund To fund systems and set up for the new range of NPQ programmes.

15. RESTRICTED FUNDS

The income funds of the Society include restricted funds comprising the following unexpended balances of grants held as funds to be applied for specific purposes:

	Balance as at 1 January 2021	Income	Expenditure	Transfers	Balance as at 31 December 2021
	£	£	£	£	£
Foundation	49,200	25,001	(304,136)	255,993	26,059
S48 School Inspections	83,176	112,925	(38,194)	-	157,908
RE, CW & Character Working Group	117,626	15,000	(380)	-	132,246
Fresh Voices	41,565	-	(23,697)	-	17,868
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	-	-	41,371
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	90,014	-	-	-	90,014
Growing Faith Foundation	-	150,000	-	-	150,000
Free Schools Project	18,445	-	(494)	-	17,951
Rural Schools Network	32,658	-	(35,608)	2,950	-
Big Questions in the Classroom	63,612	-	(4,500)	-	59,112
	<u>565,686</u>	<u>302,926</u>	<u>(407,009)</u>	<u>258,943</u>	<u>720,547</u>

	Balance as at 1 January 2020	Income	Expenditure	Transfers	Balance as at 31 December 2020
	£	£	£	£	£
Foundation	360,543	15,083	(326,426)	-	49,200
S48 School Inspections	43,070	170,356	(130,250)	-	83,176
RE, CW & Character Working Group	114,801	15,000	(12,175)	-	117,626
Fresh Voices	41,565	-	-	-	41,565
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	-	-	41,371
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	90,014	-	-	-	90,014
Free Schools Project	20,910	-	(2,465)	-	18,445
Admissions Builder	2,500	-	(15,150)	12,650	-
Rural Schools Network	-	35,000	(2,342)	-	32,658
Big Questions in the Classroom	-	63,612	-	-	63,612
	<u>742,793</u>	<u>299,051</u>	<u>(488,808)</u>	<u>12,650</u>	<u>565,686</u>

16. RESTRICTED FUNDS (continued)

The funds are held for the following purposes:

Foundation for Educational Leadership	Project to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
S48 School Inspections	Funding for school inspections required under Section 48 of the Education Act 2005.
RE, CW & Character Working Group	Funding to improve the quality of religious education in Church of England Schools.
Fresh Voices	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
Unlocking Gifts	Project to support Diocesan bids to raise school achievement.
Living Well Together Project	Project to provides a welcome first step to more collaborative working, for the common good of society.
CSof: Church School of the Future	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
National Governance Resources	Funding for a suite of resources for school governance.
Resourcing School Worship	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
Valuing All God's Children	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
Free Schools Project	To support dioceses in the bidding process for the government's free schools project.
Admissions Builder	Creation of a new admissions platform.
Big Story App	Funding to develop digital resources for the Growing Faith Foundation.
Big Questions in the Classroom	Funding to run a Science and Belief research programme as part of the Big Questions in the Classroom project, working with our secondary schools network.
Growing Faith Foundation	Core funding of the new Growing Faith Foundation.

16. RELATED PARTIES

A number of the Trustees are employed by their local Diocese who work closely with the Charity in the course of normal charity operations.

17. TRUSTEESHIP

The National Society is the Trustee at 31 December 2021 for the following trusts:

Alton School Teachers House
 Knighton School
 Vaughan Trust
 Walcot School

Trusts transferred or closed by 31 December 2021 - None

The assets held on behalf of these trusts are held in the name of the National Society Trusts Funds and comprise:

	2021		2020	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	139,409	5,691	121,883
RBS Deposit Account	7,474	7,474	7,474	7,474
	<u>13,165</u>	<u>146,883</u>	<u>13,165</u>	<u>129,357</u>

Updated National Society accounts 2021 - For Signature

Final Audit Report

2022-07-18

Created:	2022-07-18
By:	Lisa Osborne (lisa.osborne@churchofengland.org)
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Accounts

**The National Society
(Church of England and Church in Wales)
for the Promotion of Education**

Annual report and financial statements
for the year ended 31 December 2020

Registered Charity number 313070

REFERENCE AND ADMINISTRATIVE INFORMATION

Mission Statement	Deeply Christian, Serving the Common Good.	
Legal structure	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
Patron	Her Majesty The Queen	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Steven Conway, Bishop of Ely (until 15 January 2020) Rt Revd Paul Butler, Bishop of Durham (from 15 January 2020)	
Hon Treasurer	Revd Canon Peter Ballard	
Chief Education Officer	Revd Canon Nigel Genders	
Offices	Church House Great Smith Street London SW1P 3AZ	
Telephone	020 7898 1066	
Email	grace.loughran@churchofengland.org	
Website	www.churchofengland.org	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Bankers	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
Investment Managers	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
Solicitors	Lee Bolton Monier-Williams 1 The Sanctuary London SW1P 3JT	

REFERENCE AND ADMINISTRATIVE INFORMATION

The Council who served during the year and as at 8 June 2021 are shown below.

Chair	Rt Revd Steven Conway, Bishop of Ely (until 15 January 2020) Rt Revd Paul Butler, Bishop of Durham (from 15 January 2020)	
Treasurer	Revd Canon Peter Ballard	
Other Council members	Name	Appointed / elected by
	Prof Joy Carter	Archbishops of Canterbury and York
	Professor David Ford	Archbishops of Canterbury and York
	Ms Sonia McFarlane (until 2 June 2020)	Archbishops of Canterbury and York
	Rt Revd June Osborne	Governing Body of Church in Wales
	Canon Simon Lloyd	Governing Body of Church in Wales
	Canon Sue Witts	General Synod
	Mrs Rosemary Lyon	General Synod
	Revd Jeremy Fletcher	Co-option
	Mrs Marion Plant	Co-option
	Mr Andrew Smith	Co-option
Finance and Investment Committee	Revd Canon Peter Ballard (<i>Chair</i>) Ms Michelle Brissett (from 17 September 2020) Canon Professor John Bull (died 22 January 2021) Ven. Douglas Dettmer (from 17 September 2020) Revd Canon Nigel Genders Mrs Rosalind Williams	
Nominations Committee	Revd Canon Peter Ballard (<i>Chair</i>) Mrs Marion Plant Revd Canon Nigel Genders	
Chief Education Officer	Revd Canon Nigel Genders	
Website	www.churchofengland.org	

Introduction

The National Society (Church of England and Church in Wales) for the Promotion of Education ("the National Society") is a Church of England and Church in Wales education service. It was founded by Royal Charter in 1811, with supplemental Charters in 1934, 1972, 1985, 1987, 1997 and 2015, to provide education for all, firmly based on the Christian Gospel and Anglican principles. The Charter states that:

"The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and in Wales and in any other part of the world where the Church of England or churches in communion with it may be at work. The investments and property and all of the income of the Society shall henceforth be applicable for the general purposes of the Society as herein stated."

The Trustees present their annual report and financial statements for the year ended 31 December 2020. The financial statements incorporate the National Society's trading subsidiary company, Church of England Educational Services Limited. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Charities SORP (FRS 102).

Structure, Governance & Management

Organisation and Decision Making

The National Society Council met four times during the year. One meeting was held in person, but three were held remotely due to ongoing COVID-19 restrictions in 2020.

The Finance and Investment Committee, chaired by the Hon Treasurer, oversees the financial affairs of the Society. It has delegated powers from the Council to scrutinise accounts and make recommendations to the Council, and has responsibility for the management of the Society's investments, receiving reports from the Society's brokers and authorising movement of funds.

The Nominations Committee oversees the appointments to the National Society Council. It meets only when required to fill a Council vacancy or to manage the 5-yearly reconstitution of the Council.

The Society's Solicitors maintained strong links with the Society.

The National Society is one of the National Church Institutions (NCIs) and draws on the expertise and resources of various central services including those relating to Finance & Resources, Human Resources, Office Services and IT, Publishing and the Church of England Records Centre.

Under the 2015 Charter, the National Society Council consists of the following members:

- a) The Chair, appointed by the Archbishops after consultation with the General Synod and Archbishops' Council Appointments Committee.
- b) The Chief Education Officer, appointed by the Chair (who will not be a Trustee, but will have right of attendance).
- c) The Treasurer, appointed by the Chair.
- d) Three Trustees appointed by the Archbishops of Canterbury and York after consultation with the General Synod and Archbishops' Council Appointments Committee
- e) Two Trustees appointed by the Governing Body of the Church in Wales
- f) Two Trustees elected by General Synod
- g) Up to three Trustees co-opted for their skills and expertise.

Structure, Governance & Management (continued)

Organisation and Decision Making (continued)

Under the Byelaws, with the exception of the 3 Co-Presidents, no person shall be capable of becoming a member of the Council if at the time of their nomination, appointment, election or co-option they have attained the age of seventy-two years.

Relationships

The Society has a number of relationships with other bodies through which it co-operates to provide a full range of services to Church Schools in England and Wales, together with international links as appropriate.

In particular, the Society works in close partnership with the Archbishops' Council in all matters relating to education. The majority of posts are jointly funded by the Society and the Archbishops' Council.

The Society acts as Custodian Trustee of St Christopher's Educational Trust (incorporating the Hughes and Stevens Bequest), and appoints three Governors, one of whom is the Chair. The Trust prepares its own accounts for approval by the Governors.

A number of other small trusts are administered by the Society following gifts during the nineteenth century. Separate accounts and Charity Commission returns are made for these trusts. The Society has links with other organisations nationally and internationally to enable it to provide services and resources to benefit the work of Christian Education.

Trustee Induction and Training

New Trustees receive full information on the legal basis of the Society and the powers and responsibilities of the Council and its members. The Council was newly constituted in 2015 and when re-constituted, all members of the Council received information about the objects and purposes of the Society.

Grant Making Policy

In general terms the National Society is not a grant making trust. However, from time to time the Society makes a limited number of grants to other bodies to enable those recipients to carry out specific work on behalf of the Society.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Risk Management

The Society keeps under review the risks to its work. The Society has the benefit of the expertise of the NCIs' Internal Auditors. Members of the Council review likely risk areas and policies adopted on a regular basis.

Risk area	Key mitigating strategies
Significant reduction in funds available to the Society, whether through poor investment returns or lack of demand for services, leading to failure to meet business plans and objectives	• Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio • Performance of fund managers are monitored by the Finance and Investment Committee • Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations • Regular review of business plan and objectives taking into account available resources
The Church schools network is out of sync with government education policy and the views or priorities of the wider Church, leading to a fragmented response and reduced resource	• Investment in good relationships with major stakeholders • Monitoring of government developments and responding to consultations as necessary • Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools • Regular reporting to General Synod and House of Bishops
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	• A pan-NCI business continuity plan is in place which encompasses IT disaster recovery • Business continuity contingency plans are tested with emergency contact system and remote working day to ensure systems work as expected and flag up any potential issues • A COVID-19 Business Continuity group, which works across all of the NCIs, has been meeting weekly throughout 2020
Failure to develop the Foundation work such that it is not sustainable	• Foundation well established through online community, successful national conference and regional networks • New NPQ programme bid was successful which will expand the reach of the Foundation

Objectives and Activities

The objects of the Society are the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales and in any other part of the world where the Church of England or churches in communion with it may be at work.

The original aim of the National Society, as expressed in its name, was the 'promotion of the education of the poor', and the continuing aim of the Society is to provide education for children from England and Wales. All the activities of the Society are directed towards improving the quality of the education offered in Church of England schools and to making it more widely available.

Today, there are almost 5,000 Church of England and Church in Wales schools, both maintained by local authorities and academies, educating around a million children and young people. In addition, several hundred independent schools, some of them the pioneers of Christian education in the first millennium, have been designated with a Christian or Anglican character. The Church of England provides a quarter of all primary schools and academies, and a growing number of secondary schools and academies.

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit.

Achievements and Performance

The National Society supports the mission of the Church of England as the largest single provider of education in England in line with the Church of England's role as the established Church, as well as supporting the development of the Church in Wales's work in education through its Church schools. It oversees the work of the Church of England Education Office on behalf of both the Archbishops' Council and the National Society recognising the priorities and objectives of the Archbishops' Council. The National Society's strategic plan for 2020-2025 is summarised as follows:

The Church of England Education Office serves the Church's ministry with children and young people in schools, colleges and universities by:

- i. **Developing leaders** who are called, connected and committed to a vision for education which is deeply Christian, serving the common good
- ii. **Shaping policy** to promote high quality education for all, particularly the poorest and most disadvantaged
- iii. **Growing faith** amongst children and young people through churches, schools/colleges and households

The Society's vision continues to be underpinned by the Church of England Vision for education: deeply Christian, serving the common good, expressed through our key values of: wisdom, knowledge and skills; hope and aspiration; community and living well together; dignity and respect. Church schools continue to play a vital role at the heart of their communities.

With over one million students attending 4,800 schools in England and Wales, the National Society's responsibility is to advance the breadth of work across 12,600 parishes, Diocesan Boards of Education, schools, colleges and 11 Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world.

2020 activities

Developing Leaders

Since publication of our Church of England vision for Education and the launch of the *Church of England Foundation for Educational Leadership* in 2016, work on leadership development has progressed rapidly.

Achievements and Performance (continued)

The Foundation is the mechanism for work on developing leaders and focuses on programmes, networks and research and each of these elements has made considerable progress in 2020 in spite of the significant challenges arising from addressing issues emerging as a result of the global pandemic.

The flagship leadership development programme is currently a nationally accredited national professional qualification for headship (NPQH). It has grown from 70 participants in its first year to 260 participants this year across 9 regions including leaders from every diocese. This makes the Church of England one of the largest providers of NPQH in the country and the quality of our programme is rated very highly. COVID-19 meant we had to switch from face-to-face teaching to online learning, but this transition was managed successfully. The Diocesan Educational Leaders Programme (DELP) and MAT Leaders programmes have also successfully switch to online platforms and learning.

In the final quarter of 2020, the National Society prioritised a significant bid to government to become one of the national providers for national professional qualifications. This will see our leadership programmes develop ten-fold and enable us to offer the whole suite of NPQs in partnership with the Catholic Education Service.

Peer Support Network (PSN) sessions have been the basis of our networking approach to leadership development and have proved valuable to school leaders in over 1000 schools that have joined. These have all pivoted to online delivery since March 2020, focusing on equipping and developing diocesan facilitators in the 16 Dioceses now committed to the PSN (c. 400 schools). Rural Schools Network (c. 250 schools), MAT PSN (c. 300 schools) and National Secondary Leadership Network (c. 70 schools) have all continued to function effectively throughout the pandemic with a particular focus on equipping leaders as they address issues surrounding children's mental health and wellbeing. We have significantly increased our leadership materials support for schools, publishing weekly 'Called, Connected, Committed' mailouts, with over 2000 schools subscribing (up from around 600 pre-COVID-19). These feature resources, reflections and a weekly podcast. In addition, Diocesan Peer Support Networks have begun with 14 Dioceses for clergy/school leaders under the 'Faith at Home' banner, alongside a network for School Chaplains.

Research has been strengthened, supporting a new Rural Teaching Partnership (a new initiative in partnership with Teach First and the Chartered College which will see the Church of England recruit and train 100 new teachers for rural schools in its first year from September 2021) and curating the Foundation's inaugural research conference in November 2020.

Our third national annual Church of England educational leadership conference took place in February 2020 with over 800 delegates, including 150 6th form students who form part of the younger leadership stream for our conference. Feedback from the conference is clear that delegates felt inspired by the keynotes and workshops and were better equipped to understand and share the Church of England's vision for education as a result. The challenges of organising an outstanding National Conference for February 2021 are significant, and we decided to postpone for 2020-21 academic year, with the conference to return in February 2022.

Shaping Policy (Schools, Further Education and Higher Education)

The policy work is a vital element of our core business. The fact that the Church of England and Church in Wales provide a quarter of all primary schools and is a statutory provider for 1 million children and young people enables us to have a voice on a range of policy areas. Highlights include the revision of the DBE Measure which is nearing completion as well as a complete reshaping of the way Statutory Inspection of Anglican and Methodist Schools (SIAMS) is managed nationally. The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work. A variation to admissions arrangements for schools needed to be put in place as a result of the pandemic.

Faith in Education, the Church of England vision for Higher Education was published in March and the vision for Further Education was developed and is due to be published in 2021. Significant work has been undertaken during this year in establishing serious proposals for future work in FE and we look forward to those being implemented in 2021.

Achievements and Performance (continued)

Growing Faith

Our vision for Growing Faith has always been one of influencing wider cultural change within the church so that faith development amongst children and young people is something which embraces the whole of life and where, through partnership between church and school, the role of faith in the home is seen as vitally important. With the rapid change leading to home being the new normal location for everything, we transformed Growing Faith into Faith at Home. Faith at Home was launched in April 2020, and grew dynamically, involving a wide range of resources, activities and networks including school-focused films which were produced in partnership with Oak National Academy. Engagement statistics were very positive and added to the wider digital output of the Church of England.

Growing Faith continues to develop with a network of six Growing Faith Trailblazer Dioceses and 42 diocesan champions and we expect to deliver a significant step-change in Growing Faith resourcing in 2021.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the Society and we have formed three national advocacy groups, comprising around 100 young people in each of three age groups – Primary, Secondary and FE (drawn from every diocese). Each of these young people will receive some leadership development training and development alongside being part of our developmental work in relation to Growing Faith and a range of other key developmental issues including input into the wider development of the Church of England's vision and strategy work as well as other issues whereby we wish to gather and centralise the voice of children and young people, such as diversity and inclusion.

Future plans

The main priorities for 2021 will be to implement the nationally integrated system for SIAMS; the launch of a suite of national professional qualifications for school leaders (including establishing extra capacity within the staff team to resource this work), the implementation of recommendations arising from or Vision for Further Education and the development of a Growing Faith Institute to lead the Growing Faith adventure in to its next phase.

Financial Review

Investment Strategy, Powers and Restrictions

The Society's Investment Strategy reflects the long-term nature of the enterprise. With the help of expert professional advisers, reserves are invested in a mixed portfolio of equities, fixed interest securities and property. Ethical considerations are taken into account and the Society follows the advice given by the Church of England Ethical Investment Advisory Group. The investment objective is to maintain the real value of the Society's assets while securing a steady growth in investment income. Both the requirement of prudence and the need for a reliable income flow prompts the Society to invest for "value" rather than "growth".

Investment Performance

2020 saw significant volatility in investment markets as a result of the COVID-19 pandemic, with the suspension of dividends in a number of sectors negatively impacting the income generated from and the market value of the Society's assets. Total stocks and shares investment income fell by £115,976 to £411,463 in 2020, representing an income yield of 3.5% in 2020 (2019: 4.6%). Total losses on the stocks and shares investments were £446,446 (2019: gain of £1,300,142).

During the year the Society has reassessed the value of its investment properties and has booked a revaluation loss of £117,500 in respect of the Great Peter Street property and a revaluation gain in respect of Fairwinds of £72,143, resulting in a net revaluation loss of £45,357.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2020 and as a voluntary body the Society relies on investment income, conference and course fees, Diocesan contributions, donations, and legacies to fund its normal activities.

Financial Review (continued)

Reserves Policy

At 31 December 2020, the Society held total reserves of £14,929,727, of which £565,686 was held in restricted funds. Unrestricted reserves totalled £14,364,041, of which £193,333 was designated for specific purposes. The main designation is of £192,311 to spend on the Foundation when the restricted funding for the Foundation is spent. Free reserves were therefore £14,170,708 and excluding the investment balances of £13,435,852 gives free reserves of £734,856.

The Society's target is to hold between three and six months of unrestricted expenditure as free reserves excluding investment balances. This equates to between £234,290 and £468,580. The balance of £734,856 at 31 December 2020 means that the Society currently holds 9 months of unrestricted expenditure in free reserves excluding investment balances. The Society will consider its liquidity requirements in 2021 to bring the free reserves level in line with its target. The Society's investments are held in order to provide a reasonable contribution to operating costs through income and capital gains while maintaining a capital value sufficient to provide a stable financial outlook in the medium term. Having considered all relevant factors, including the present benefit from the contribution to operating costs and ensuring inter-generational equity without accumulating excessive reserves, the Society believes that it should hold between fifteen and twenty years of unrestricted expenditure, excluding expenditure on trading activities, in investments. This is between £8.4m and £11.1m. The current investment balances of £13.4m are in excess of this amount, and the Society has identified ways in which it could use its capital resources to further the objectives of the Society in the shorter term.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans it has put in place to respond to the emergency.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Staff remuneration and executive pay

All the staff of the National Society are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

The role of the Chief Executive and Deputy Chief Executives sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

Plans for future periods

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

We continue to respond to changing education policy whilst maintaining a clear focus on things of fundamental importance for the development of children and young people in statutory and voluntary settings. Regular support has continued, demonstrating the Society's vital role in promoting the Church's place in the national education system, including:

- The development of visionary leadership and networks and programmes to support the development of educational leaders.
- Continued discussion with ministers, negotiation with the Department for Education, including over arrangements for academy conversions, trusts and other collaborative arrangements.
- Improved and new relationships with ministers and other organisations active in the FE and HE sector, ensuring input into a wide range of policy areas.
- Support for individual dioceses in strategic development.
- Support for DBEs as they develop their academies structures and services.
- Support for dioceses reviewing their arrangements to support chaplaincy in FE and HE and individual chaplaincy audits and advice for colleges and universities.
- Availability of National Society contracts of employment for all school staff.
- Administration of all denominational inspection (SIAMS), especially introducing a new framework and through the provision of initial and ongoing training of SIAMS inspectors.
- Responding on behalf of the Church of England to government consultations and to other national agency contacts.
- Supporting school chaplains and working with other organisations to provide training and professional development.
- Ensuring the preservation of the archive of the Church of England's work in education, including the records of many Church schools and colleges.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice.
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was authorised for issue by the Council on 8 June 2021 and signed on its behalf by:

Paul Butler

Paul Butler (Aug 11, 2021 12:36 GMT+1)

Rt Revd Paul Butler
Chairman

P J Ballard

P J Ballard (Aug 11, 2021 12:38 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Opinion

We have audited the financial statements of The National Society (Church of England and Church in Wales) for the Promotion of Education ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's/its income and expenditure, 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 Charities Act 2011.

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 charity / group 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 trustee's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 group and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 18th August 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

Consolidated	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £	Unrestricted Funds £	Restricted Funds £	2019 Total £
Income from:							
Donations and legacies		10,005	128,612	138,617	727	20,000	20,727
Charitable activities	3	-	170,050	170,050	141,299	998,225	1,139,524
Other trading activities		674,243	-	674,243	597,008	-	597,008
Investments	2	463,473	389	463,862	573,173	14	573,187
Other income	4	5,886	-	5,886	6,244	5,625	11,869
Total income		1,153,607	299,051	1,452,658	1,318,451	1,023,864	2,342,315
Expenditure on:							
Raising funds		42,138	-	42,138	45,245	-	45,245
Charitable activities	5	514,946	488,808	1,003,754	479,710	791,322	1,271,032
Other trading expenditure		380,075	-	380,075	481,057	-	481,057
Total expenditure		937,159	488,808	1,425,967	1,006,012	791,322	1,797,334
Net income before gains/(losses) on investments		216,448	(189,757)	26,691	312,439	232,542	544,981
Gains/(losses) on investments	10	(491,803)	-	(491,803)	1,300,142	-	1,300,142
Net income (expenditure)		(275,355)	(189,757)	(465,112)	1,612,581	232,542	1,845,123
Transfers between funds	15	(12,650)	12,650	-	-	-	-
Other recognised gains/(losses)							
Actuarial gains/ (losses) on defined benefit schemes		-	-	-	52,000	-	52,000
Net movement in funds		(288,005)	(177,107)	(465,112)	1,664,581	232,542	1,897,123
Total funds at 1 January:		14,652,046	742,793	15,394,839	12,987,465	510,251	13,497,716
Total funds at 31 December		14,364,041	565,686	14,929,727	14,652,046	742,793	15,394,839

The balances for both financial years relate to continuing operations.

The notes 1 to 17 form part of these Financial Statements

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Charity	
		2020 Total £	2019 Total £	2020 Total £	2019 Total £
Notes					
Fixed assets					
Investment property	10	1,817,500	1,862,857	1,817,500	1,862,857
Investments	10	<u>11,618,352</u>	<u>12,104,280</u>	<u>11,618,452</u>	<u>12,104,380</u>
		13,435,852	13,967,137	13,435,952	13,967,237
Current assets					
Debtors	11	235,929	146,191	160,716	80,457
Cash & cash equivalents		<u>1,592,512</u>	<u>1,800,184</u>	<u>1,195,464</u>	<u>1,624,066</u>
		1,828,441	1,946,375	1,356,180	1,704,523
Liabilities					
Creditors: amounts falling due within one year	12	<u>(334,566)</u>	<u>(518,673)</u>	<u>(76,438)</u>	<u>(381,411)</u>
Net current assets		1,493,875	1,427,702	1,279,742	1,323,112
Total net assets		<u>14,929,727</u>	<u>15,394,839</u>	<u>14,715,694</u>	<u>15,290,349</u>
The funds of the charity:					
Restricted funds		565,686	742,793	565,686	742,793
Unrestricted funds:					
. Designated funds		193,333	193,333	193,333	193,333
. General funds		<u>14,170,708</u>	<u>14,458,713</u>	<u>13,956,675</u>	<u>14,354,223</u>
Total funds	13	<u>14,929,727</u>	<u>15,394,839</u>	<u>14,715,694</u>	<u>15,290,349</u>

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 8 June 2021 and signed on its behalf by:

Paul Butler

Paul Butler (Aug 11, 2021 12:36 GMT+1)

Rt Revd Paul Butler
Chairman

P J Ballard

P J Ballard (Aug 11, 2021 12:38 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Net (expenditure)/ income for the year (as per the statement of financial activities)		(465,112)	1,897,123
Investment income	2	(463,852)	(573,187)
Losses/(gains) on investments	10	491,803	(1,300,142)
(Decrease) in creditors	12	(184,107)	(102,077)
(Increase) in debtors	11	(89,738)	<u>(108,148)</u>
Net cash flow used in operating activities		(711,006)	(186,431)
Cash flows from investing activities			
Investment income received	2	463,852	573,187
Purchase of investments	10	(910,967)	(726,979)
Sales of investments	10	933,330	<u>739,746</u>
Net cash flow provided by / (used in) investing activities		486,215	585,954
Change in cash and cash equivalents in the year		(224,791)	399,523
Cash and cash equivalents at 1 January 2020		<u>1,856,900</u>	<u>1,457,377</u>
Cash and cash equivalents at 31 December 2020		<u>1,632,109</u>	<u>1,856,900</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,592,512	1,800,184
Cash held by investment managers	10	<u>39,597</u>	<u>56,716</u>
		<u>1,632,109</u>	<u>1,856,900</u>

The Society has no debt and therefore the reconciliation in cash and cash equivalents also represents the analysis of changes in net debt.

The notes 1 to 17 form part of these Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The National Society meets the definition of a public benefit entity under FRS 102.

The National Society has taken advantage of the exemption in FRS102 from the requirement to prepare a Charity cash flow statement.

The subsidiary company has been consolidated on a line-by-line basis.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans it has put in place to respond to the emergency.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Income

Income is recognised in the period in which the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and the amount can be measured reliably and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and basis of allocation of costs

Expenditure, including the related irrecoverable VAT, is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Most costs are directly attributable to specific activities. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs & administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been apportioned on the basis of time spent on various activities.

1. ACCOUNTING POLICIES (continued)

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the statement of financial activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The National Society participates in two pension schemes for the benefit of its employees - the Defined Benefit Pension Scheme (DBS), which is one section of the Church Workers Pension Fund and the Church Administrators Pension Fund which is split into two sections. For employees who joined before 1 July 2006 there is a Defined Benefits Section and for those joining after that date there is a Money Purchase Section. For further details please see note 9.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The National Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Investment properties:

The Society carries its investment properties at fair value being recognised in the Statement of Financial Activities. See note 10 for more information.

Expenditure allocations:

Expenditure is apportioned where it relates to more than one cost category (see note 5).

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Interest receivable	7,010	389	7,399	748
Dividends receivable	411,463	-	411,463	527,439
Rents receivable	45,000	-	45,000	45,000
Total	463,473	389	463,862	573,187

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Inspectors fees	-	-	-	1,710
Conference income	-	-	-	8,280
Schools work	-	-	-	123,518
Section 48 inspections	-	170,050	170,050	468,225
Foundation project	-	-	-	522,791
RE, CW & Character Working Group	-	-	-	15,000
Total	-	170,050	170,050	1,139,524

4. OTHER INCOME

	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Government grants	5,842	-	5,842	6,634
Royalties received	44	-	44	5,235
Total	5,886	-	5,886	11,869

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Direct costs	Support costs	2020	2019
	£	£	£	£
Shaping Policy	418,324	156,205	574,529	626,955
Developing Leaders	289,064	140,161	429,225	644,077
Total	707,388	296,366	1,003,754	1,271,032

6. ANALYSIS OF SUPPORT COSTS

	2020	2019
	£	£
Staff costs	87,796	84,301
Shared service costs	65,397	23,707
Archiving costs	38,853	37,869
Office rent	34,066	35,615
Audit fees	13,800	10,000
Accountancy fees	-	3,340
Committee expenses	1,834	3,392
Legal fees	20,774	-
Trustees' indemnity insurance	878	2,042
Other	32,968	48,913
Total	296,366	249,179

All support costs are allocated to charitable activities because any allocation between raising funds and charitable activities is immaterial.

Included in total committee expenses is £1,675 (2019: £2,719) which had been reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £878 (2019: £2,042) was paid by the Society. The Honorary Treasurer has chosen not to draw an honorarium.

7. STAFF COSTS

The cost of staff employed by the National Society for the year ended 31 December 2020 is as below:

	2020	2019
	£	£
Gross salaries	405,839	466,456
National insurance	46,735	49,109
Pension costs	58,672	68,678
Total	511,246	584,243

	2020	2019
Average headcount	11	13

Included within these costs is £1,790 (2019: £nil) termination costs in relation to one (2019: zero) employee. The charity considers its key management personnel to consist of the Chief Education Officer and the Deputy Education Officers. During the year the National Society contributed £241,900 (2019: £205,024) in relation to its share of their employee benefits. There was 1 employee (2019: 1) who was paid between £60,001 and £70,000 in relation to work carried out for the National Society.

8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2020	2019
	£	£
Turnover	674,529	622,865
Cost of sales	<u>(460,496)</u>	<u>(518,374)</u>
Profit before taxation	214,033	104,491
Tax on profit	-	-
Charitable donation	<u>(104,491)</u>	<u>(49,554)</u>
Profit for the financial year	<u>109,542</u>	<u>54,937</u>

Church of England Educational Services Limited is a trading subsidiary incorporated in England and Wales where the National Society own all 100 £1 ordinary shares. It undertakes a similar activity to the parent. A summary of the trading results are shown above. Audited financial statements have been filed with the Registrar of Companies. The distributable net profit has now been distributed to the National Society as a charitable donation under gift aid.

9. PENSIONS

The National Society participates in two separate pension schemes operated by the Church of England Pensions Board:- the Church of England Defined Benefit Pension Scheme (DBS) (which is one section of the Church Workers Pension Fund) and the Church Administrators Pension Fund which is split into two sections, a defined benefits section and a money purchase section.

Church of England Defined Benefit Pension Scheme (DBS)

This is part of the Church Workers Pension Fund and is operated in respect of staff who joined The National Society before 1 January 2000.

The National Society is unable to identify its share of the underlying assets and liabilities of the DBS as each participating employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and The National Society's future contribution rate was revised with effect from 1 April 2012 and a deficit recovery plan was introduced from the same date. The last fund valuation carried out yields an estimated outstanding deficit at 31 December 2016 of £26,700. Investigations carried out since the last report have identified that some employees previously identified as employees of the National Society were employed under the joint employer arrangements operated by the National Church Institutions (NCIs).

Church Administrators Pension Fund (CAPF)

The National Society, in line with all other National Church Institutions, is now required to contribute towards Church Administrators Pension Fund (CAPF) in respect of staff not included in the DBS and to the overall deficit in the CAPF defined benefit section.

The **Defined Benefit Section** is for members who joined the Fund before 1 July 2006. Each participating employer in the section pays contributions at a common contribution rate applied to their members' Pensionable Salaries.

The Defined Benefit Section is considered to be a multi-employer, last man standing defined benefit pension scheme, as described in Section 28 of FRS 102. The Employer is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. 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, plus the figures highlighted in the table below as being recognised in the SoFA. A valuation of this section is carried out every three years, the most recent having been at 31 December 2019. This revealed a deficit of £9.1m

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Following the valuation, the employers have collectively entered into an agreement with CAPF to continue to pay contributions of 19.1% of Pensionable Salaries, increasing to 27.6% of Pensionable Salaries with effect from 1 January 2021. The employers have also agreed to make deficit payments of £2,846,698 pa as at 1 January 2020, decreasing to £2,400,000 from 1 January 2021 until December 2023. These deficit contributions are made by each employer in proportion to Pensionable Salaries of those in the Defined Benefit Section. In addition, the employers have agreed to pay £390,000 pa towards expenses until 31 December 2020, increasing to £500,000 per annum from 1 January 2021.

The movement in the provision is set out below:

	2020	2019
	£	£
Balance sheet liability at 1 January	-	72,000
Deficit contributions paid	-	(20,000)
Interest cost (SoFA)	-	1,000
Change in balance sheet liability	-	(53,000)
Balance sheet liability at 31 December	-	-

10. INVESTMENTS

Group	Property £	Investments £	2020 £	Property £	Investments £	2019 £
Market value at 1 January	1,862,857	12,047,564	13,910,421	1,862,857	10,760,189	12,623,046
Disposals	-	(933,330)	(933,330)	-	(739,746)	(739,746)
Acquisitions	-	910,967	910,967	-	726,979	726,979
Gain/ (loss) on revaluation	(45,357)	(446,446)	(491,803)	-	1,300,142	1,300,142
Market value at 31 December	1,817,500	11,578,755	13,396,255	1,862,857	12,047,564	13,910,421
Cash held by investment manager	-	39,597	39,597	-	56,716	56,716
Total investment balances	1,817,500	11,618,352	13,435,852	1,862,857	12,104,280	13,967,137
Historical cost at 31 December	30,327	8,177,372	8,207,699	30,327	8,571,622	8,601,949

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2020:

	2020	2019
	£	£
CCLA CBF Investment Fund	1,085,483	1,017,657
CCLA CBF Property Fund	883,655	944,480

Charity	Unlisted investments £	Property £	Investments £	2020 £
Market value at 1 January 2020	100	1,862,857	12,047,564	13,910,521
Disposals	-	-	(933,330)	(933,330)
Acquisitions	-	-	910,967	910,967
Gain/ (loss) on revaluation	-	(45,357)	(446,446)	(491,803)
Market value at 31 December 2020	100	1,817,500	11,578,755	13,396,355
Cash held by investment manager	-	-	39,597	39,597
Total investment balances	100	1,817,500	11,618,352	13,435,952
Historical cost at 31 December	100	30,327	8,177,372	8,207,799

10. INVESTMENTS (continued)

Charity	Unlisted investments £	Property £	Investments £	2019 £
Market value at 1 January 2019	100	1,862,857	10,760,189	12,623,146
Disposals	-	-	(739,746)	(739,746)
Acquisitions	-	-	726,979	726,979
Gain/ (loss) on revaluation	-	-	<u>1,300,142</u>	<u>1,300,142</u>
Market value at 31 December 2019	100	1,862,857	12,047,564	13,910,521
Cash held by investment manager	-	-	<u>56,716</u>	<u>56,716</u>
Total investment balances	<u>100</u>	<u>1,862,857</u>	<u>12,104,280</u>	<u>13,967,237</u>
Historical cost at 31 December 2019	100	30,327	8,571,622	8,602,049

Unlisted investments are as below:

	Registered Office	Class of shares held	Holding direct	Nature of business
Church of England Educational Services	England	Ordinary	100%	Education

11. DEBTORS

	Group 2020 £	2019 £	Charity 2020 £	2019 £
<i>Amounts due within one year:</i>				
Other taxation & social security	-	6,321	-	-
Prepayments & accrued income	32,919	78,329	32,919	22,962
Trade debtors	203,010	60,132	49,822	15,966
Other debtors	-	1,409	-	1,409
Amounts due from subsidiary	-	-	<u>77,975</u>	<u>40,120</u>
	<u>235,929</u>	<u>146,191</u>	<u>160,716</u>	<u>80,457</u>

12. CREDITORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<i>Amounts due within one year:</i>				
Accrued expenditure	49,988	103,799	26,980	74,831
Other taxation and social security	132,438	-	-	-
Deferred income	88,604	213,255	-	170,050
Trade creditors	62,350	201,619	48,272	136,530
Other creditors	1,186	-	1,186	-
	<u>334,566</u>	<u>518,673</u>	<u>76,438</u>	<u>381,411</u>

Reconciliation of deferred income

	2019
	£
Deferred at 1 January 2020	213,255
Released during the year	(213,255)
Deferred during the year	<u>88,604</u>
Deferred at 31 December 2020	<u>88,604</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2020 are represented by:

	Unrestricted funds	Restricted funds	2020	Unrestricted funds	Restricted funds	2019
Group	£	£	£	£	£	£
Fixed assets	13,435,852	-	13,435,852	13,967,137	-	13,967,137
Current assets	1,262,755	565,686	1,828,441	1,203,582	742,793	1,946,375
Current liabilities	(334,566)	-	(334,566)	(518,673)	-	(518,673)
Non current liabilities	-	-	-	-	-	-
Total net assets	<u>14,364,041</u>	<u>565,686</u>	<u>14,929,727</u>	<u>14,652,046</u>	<u>742,793</u>	<u>15,394,839</u>

	Unrestricted funds	Restricted funds	2020	Unrestricted funds	Restricted funds	2019
Charity	£	£	£	£	£	£
Fixed assets	13,435,952	-	13,435,952	13,967,237	-	13,967,237
Current assets	790,494	565,686	1,356,180	961,730	742,793	1,704,523
Current liabilities	(76,438)	-	(76,438)	(381,411)	-	(381,411)
Non current liabilities	-	-	-	-	-	-
Total net assets	<u>14,150,008</u>	<u>565,686</u>	<u>14,715,694</u>	<u>14,547,556</u>	<u>742,793</u>	<u>15,290,349</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Reconciliation of movements in unrealised gains on investment assets:

	Unrestricted funds	2020	Unrestricted funds	2019
Group	£	£	£	£
Unrealised gains at 1 January	5,365,188	5,365,188	4,085,209	4,085,209
Realised gains in respect of disposals	<u>354,858</u>	<u>354,768</u>	<u>(20,163)</u>	<u>(20,163)</u>
	5,720,046	5,719,956	4,065,046	4,065,046
Net gain arising on revaluations	<u>(491,803)</u>	<u>(491,803)</u>	<u>1,300,142</u>	<u>1,300,142</u>
Unrealised gains at 31 December	<u>5,228,243</u>	<u>5,228,153</u>	<u>5,365,188</u>	<u>5,365,188</u>

	Unrestricted funds	2020	Unrestricted funds	2019
Charity	£	£	£	£
Unrealised gains at 1 January	5,365,188	5,365,188	4,085,209	4,085,209
Realised gains in respect of disposals	<u>354,858</u>	<u>354,768</u>	<u>(20,163)</u>	<u>(20,163)</u>
	5,720,046	5,719,956	4,065,046	4,065,046
Net gain arising on revaluations	<u>(491,803)</u>	<u>(491,803)</u>	<u>1,300,142</u>	<u>1,300,142</u>
Unrealised gains at 31 December	<u>5,228,243</u>	<u>5,228,153</u>	<u>5,365,188</u>	<u>5,365,188</u>

14. UNRESTRICTED FUNDS

The movements on the unrestricted funds of the Group are as follows:

	Balance as at 1 January 2020	Income	Expenditure	Other movements	Balance as at 31 December 2020
	£	£	£	£	£
General Fund	14,458,713	1,153,607	(937,159)	(504,453)	14,170,708
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
– Foundation project	<u>192,311</u>	-	-	-	<u>192,311</u>
Total	<u>14,652,046</u>	<u>1,153,607</u>	<u>(918,751)</u>	<u>(504,453)</u>	<u>14,364,041</u>

	Balance as at 1 January 2019	Income	Expenditure	Other movements	Balance as at 31 December 2019
	£	£	£	£	£
General Fund	12,801,845	2,688,658	(1,031,790)	-	14,458,713
Designated funds:					
SIAMS	1,022	-	-	-	1,022
– Foundation project	<u>184,598</u>	<u>7,791</u>	<u>(78)</u>	-	<u>192,311</u>
Total	<u>12,987,465</u>	<u>2,696,449</u>	<u>(1,031,868)</u>	<u>-</u>	<u>14,652,046</u>

The designated funds are held for the following purposes:

Designated fund – SIAMS

To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.

Designated fund – Foundation project

This represents the unrestricted part of the Foundation Project which aims to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.

Both are expected to be spent within the following year.

15. RESTRICTED FUNDS

The income funds of the Society include restricted funds comprising the following unexpended balances of grants held as funds to be applied for specific purposes:

	Balance as at 1 January 2020	Income	Expenditure	Transfers	Balance as at 31 December 2020
	£	£	£	£	£
Foundation	360,543	15,083	(326,426)	-	49,200
S48 School Inspections	43,070	170,356	(130,250)	-	83,176
RE, CW & Character Working Group	114,801	15,000	(12,175)	-	117,626
Fresh Voices	41,565	-	-	-	41,565
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	-	-	41,371
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	90,014	-	-	-	90,014
Free Schools Project	20,910	-	(2,465)	-	18,445
Admissions Builder	2,500	-	(15,150)	12,650	-
Rural Schools Network	-	35,000	(2,342)	-	32,658
Big Questions in the Classroom	-	<u>63,612</u>	-	-	<u>63,612</u>
	<u>742,793</u>	<u>299,051</u>	<u>(488,808)</u>	<u>12,650</u>	<u>565,686</u>

	Balance as at 1 January 2019	Income	Expenditure	Transfers	Balance as at 31 December 2019
	£	£	£	£	£
Foundation	182,416	520,626	(342,499)	-	360,543
S48 School Inspections	-	468,225	(425,155)	-	43,070
RE, CW & Character Working Group	108,816	15,000	(9,015)	-	114,801
Fresh Voices	41,760	-	(195)	-	41,565
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,396	-	(25)	-	41,371
National Governance Resources	634	-	(634)	-	-
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	80,000	20,014	(10,000)	-	90,014
Free Schools Project	24,710	-	(3,800)	-	20,910
Admissions Builder	<u>2,500</u>	-	-	-	<u>2,500</u>
	<u>510,251</u>	<u>1,023,865</u>	<u>(791,323)</u>	-	<u>742,793</u>

16. RESTRICTED FUNDS (continued)

The funds are held for the following purposes:

Foundation for Educational Leadership	Project to renew the Church's place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
S48 School Inspections	Funding for school inspections required under Section 48 of the Education Act 2005.
RE, CW & Character Working Group	Funding to improve the quality of religious education in Church of England Schools.
Fresh Voices	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
Unlocking Gifts	Project to support Diocesan bids to raise school achievement.
Living Well Together Project	Project to provides a welcome first step to more collaborative working, for the common good of society.
CSoF: Church School of the Future	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
National Governance Resources	Funding for a suite of resources for school governance.
Resourcing School Worship	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
Valuing All God's Children	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
Free Schools Project	To support dioceses in the bidding process for the government's free schools project.
Admissions Builder	Creation of a new admissions platform.
Big Story App	Funding to develop an App based on understanding Christianity to grow faith in 12-19 year olds.
Big Questions in the Classroom	Funding to run a Science and Belief research programme as part of the Big Questions in the Classroom project, working with our secondary schools network.

16. RELATED PARTIES

A number of the Trustees are employed by their local Diocese who work closely with the Charity in the course of normal charity operations.

17. TRUSTEESHIP

The National Society is the Trustee at 31 December 2020 for the following

trusts: Alton School Teachers House
Knighton School
Vaughan
Trust
Walcot
School

Trusts transferred or closed by 31 December 2020 - None

The assets held on behalf of these trusts are held in the name of the National Society Trusts Funds and comprise:

	2020		2019	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	121,883	5,691	114,267
RBS Deposit Account	7,474	7,474	6,647	6,647
	13,165	129,357	12,338	120,914