

**Report and Financial Statements**

**For the year ended 31 December 2018**

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

**Company No 213142  
Charity Registration No 249574**

# **Church Society**

## **Financial statements for the year ended 31 December 2018**

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## Church Society

### Financial statements for the year ended 31 December 2018

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<b>Council members</b>	The Revd N T Atkinson The Revd Dr K Birkett (until 19 February 2018) The Revd Dr M E Burkill (Chairman) (from 12 May 2018) Mr P M Cawson QC (until 12 May 2018) (from 3 July 2018) The Revd Dr A V Cinnamond The Revd G T Crowder (from 12 May 2018) The Revd P T Darlington The Revd T M Edwards (until 12 May 2018) Mr J Eggertsen (from 3 July 2018) The Revd R W Farr (until 12 May 2018) (from 3 July 2018) The Revd (Sqn Ldr) G D Firth (until 12 May 2018) The Revd Dr J Hughes Mrs R C Hunt (from 12 May 2018) The Revd C R H Kilgour The Revd Canon Angus MacLeay (from 12 May 2018) The Revd R S Munro (from 12 May 2018) The Revd M Print (until 12 May 2018) Mrs A Robbie Dr A Ruddick (until 12 May 2018) Mr A Seago (until 12 May 2018) The Revd M S Smith (until 12 May 2018) The Revd M I A Smith (from 12 May 2018) The Revd J C Taylor The Revd W Taylor The Revd J A Telford (until 12 May 2018) The Revd A P J Towner (from 12 May 2018) The Revd Dr J D Ward (until 12 May 2018) The Revd R A R Weekes (from 12 May 2018) Dr J Woolford (until 12 May 2018)
<b>Director</b>	The Revd Dr Lee Gatiss
<b>Charity number</b>	249574
<b>Company number</b>	213142
<b>Registered office</b>	Hille Business Estate 132 St Albans Road Watford WD24 4AE
<b>Auditors</b>	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
<b>Principal address</b>	Hille Business Estate 132 St Albans Road Watford WD24 4AE

# **Church Society**

## **Financial statements for the year ended 31 December 2018**

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### **Bankers**

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

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

### **Solicitors**

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

# Church Society

## Trustees' and directors' report For the year ended 31 December 2018

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The directors present their report and the financial statements for the year ended 31 December 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

### Charity's objectives

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

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

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

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

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

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

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

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

The operations of Church Society are controlled by a Council (the Trustees) of up to 20 people elected annually by the members of the Society. New trustees are provided with guidance on their responsibilities. The Churchman Editorial Board and Church Society Trust Directors operate largely as committees of the Council. In addition, there is a finance committee. The Council must approve appointments of Church Society Trust Members and the membership of certain other charitable trusts.

Two full-time and two part-time members of staff were employed throughout the year. Volunteers also assist in many areas and their efforts are much appreciated. The Society is an association of members who share a common vision and members do much of the work of the Society.

### Activities and achievements

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

The Society was involved with organising four conferences during the year. In January 2018, Church Society teamed up again with the Fellowship of Word & Spirit to run a residential conference called "Crying in the Wilderness: Post-Christendom Mission." The main sessions were taken by Johnny Juckes, President of Oak Hill Theological College, on 1 Samuel 1-6. There were also three seminars on aspects of mission, contextualisation, and church led by Dave Walker, Jason Ward, and Geoffrey Firth. The aim was to foster a forum for debate, sharing ideas, and encouraging one another in contemporary Christian life and mission. As well as providing good teaching, there was also plenty of time for interaction and discussion, and a generous discount was offered for non-ordained members of Church Society to encourage them to attend.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2018

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Our second conference was the annual Church Society national day conference and AGM in May, at Oak Hill Theological College in London. This was our best attended CS Conference and AGM for many years. Bishop Rod Thomas spoke about the challenges and opportunities of ministering in the Church of England, and Lee Gatiss gave a talk on how the early church flourished in the midst of a hostile environment. There was also a panel discussion with the speakers plus Paul Darlington and Martin Young, led by Dr Ros Clarke, our Associate Director. During the AGM there was discussion and debate about the proposed merger of the activities of Reform and the Fellowship of Word & Spirit into Church Society, with large supermajorities in favour of the proposed changes which would make this possible. A new council was elected consisting of representatives from Church Society, Reform, and FWS. The Bishop of Maidstone, Rod Thomas, was elected as our new President.

It is hoped that the merger — which will so far as necessary be completed legally over the coming months — will serve the cause of Jesus Christ by amplifying the voice of conservative and complementarian evangelicals, by demonstrating the unity of our theological conviction and providing a focus for dialogue with those outside our constituency who seek to understand us. It will clarify the priority of our concern for evangelical theology rather than mere politics, personalities or labels and help better identify evangelicals who share conservative convictions which are capable of renewing the Church of England and positively impacting society with the gospel. We hope that it will simplify our organisation and stewardship, enabling better coordination and harnessing of evangelical energies at a local and national level, and more efficient use of limited organisational resources. It will also more clearly testify to the support for the Bishop of Maidstone in his ministry and the need to see it grow.

In August, we again ran the annual Junior Anglican Evangelical Conference (JAEC) at Kings Park Conference Centre in Northampton. This conference, aimed at those considering Anglican vocations or in training/early years of ordained ministry, took as its theme "The Gospel in the Parish", with addresses from Bishops Wallace Benn and Nick McKinnel, Shaun Morris, Lee Gatiss, Mel Lacy, and Simon Vibert on various aspects of parish ministry. Once again there was a pleasing variety in the number of backgrounds and training colleges represented by the delegates, with discounts offered for non-ordained men and women and some bursaries for those under 30.

This year's ReNew conference in Leeds — a joint venture between Church Society and AMiE — was called "Mobilise! Every Member Ministry." It involved a great deal of work behind the scenes in advance, liaising with the other organisations involved and planning a detailed and full programme of talks, coaching sessions, and regional planning and prayer groups. We remain convinced of the value of Anglican Evangelical ministry and are determined to advance it, so this September we considered together how each region advances the gospel, as we pursue our goal of pioneering, establishing, and securing healthy local Anglican churches. Our major theological theme at the conference was the priesthood of all believers, with Archbishop Peter Jensen leading the teaching on this theme, with additional coaching sessions on future recruitment of clergy, being effective in the Church of England, recruiting and training lay leaders, mobilising women in ministry, and "Being the best PCC member I can be." We also heard from a number of situations where bold and innovative evangelistic initiatives are taking place, and in discussion together explored the biblical necessity of differentiation from false teaching, the limits of gospel partnership, and how impaired fellowship could be expressed.

We aim to strengthen local churches in biblical faith and help shape the Church of England now and for the future, so resourcing evangelical ministry through publishing as well as conferences continues to be a major part of the work of the Society. This involves producing a regular diet of material in our quarterly theological journal Churchman, our members' magazine Crossway, the Church Society website, a regularly updated blog (including daily posts throughout Lent on the Creed, the Lord's Prayer, and the Ten Commandments), videos, and our weekly podcast on audio-visual channels SoundCloud and Vimeo, and social media platforms Twitter and Facebook. We also made regular contributions to the Church of England Newspaper, including a weekly column written by our Director expounding the set Bible readings in the Anglican Lectionary.

The Society also published a significant new book, *Foundations of Faith: Reflections on the Thirty-nine Articles*. This has sold well not only in the UK but abroad. Archbishop Ben Kwashi, General Secretary of GAFCON and Archbishop of Jos ordered many copies and commented that, "Foundations of Faith is compulsory reading for all clergy in my diocese in the Church of Nigeria, and there are exams on it for canons and archdeacons. We rejoice greatly in this testimony of our Anglican faith and in the courage of Church Society in a militantly secular Europe."

As well as playing a full part in meetings of the Church Society Council, Finance Committee, CS Trust Directors' meetings, and the Churchman editorial board, the Director represented the Society on the Church of England Evangelical Council (CEEC) and took part in a consultation on issues in human sexuality and the church under the auspices of the Evangelical Group on General Synod (EGGS). He helped in the drafting of a book (to be called *Glorify God in Your Body*) on issues in marriage and sexuality as part of a group working under CEEC auspices to resource the House of Bishops in their own work on these issues. He represented Church Society on the Councils of Reform, FWS, and Affinity, and was also a member of the Latimer Trust Theological Workgroup and the Bishop of Maidstone's advisory group. He has continued a weekly video ministry, *Lee on the Lectionary* ([facebook.com/lectionarylee](https://facebook.com/lectionarylee)), published several book reviews in various journals, written an academic article on the Synod of Dort for the international journal *Unio Cum Cristo*, and published an online video reading course on the doctrine of salvation at [www.thegospelcoalition.org/course/soteriological-debates/](http://www.thegospelcoalition.org/course/soteriological-debates/).

## Church Society

### Trustees' and directors' report For the year ended 31 December 2018

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The Director preached, spoke, and lectured in various places over the year, including the Cornhill Training Course in London; the Lichfield ReNew Group retreat; weekends away for St John's Knutsford, St John's Hartford, and Oxford Postgraduates; the Proclamation Trust Younger Ministers' Conference; the FWS Study Day; Durham University and Cranmer Hall/St John's College Durham; the Evangelical Fellowship of Irish Clergy in Belfast; the Norwich Anglican Bible Conference; a gathering of Resolution parishes from the eastern region for Bishop Rod Thomas; Christ's College Cambridge; Lichfield ReNew Group Preachers Training Day; a meeting of ReNew Ely; and preaching at churches such as Christ Church Cambridge, Chadderton, Sileby, Cheadle, Hartford, Old Hill, Holy Trinity Norwich and others. He helped relaunch the Bishop Jewel Society at Oxford speaking on the 39 Articles and Anglican Evangelicalism at St Ebbe's, Oxford. He has also been part of meetings to encourage more people to be ordained into the Church of England, a gathering of the Evangelical Patrons Consultative Council, and in June 2018 he attended the Global Anglican Future Conference (GAFCON) in Jerusalem, along with 2000 people from all over the Anglican Communion and beyond.

During the year, Dr Ros Clarke, our Associate Director was active in maintaining and expanding our internet and print publications ministry, particularly by editing Crossway, being a part of the editorial board of Churchman, and taking charge of our web-based resources, particularly the weekly podcast which featured regular book reviews, episodes from individual CST churches, and items devoted to diverse issues such as General Synod, mental health, disappointment, churchwardens, ordination, and encouraging women's ministry. She also pioneered a new online training course for women in a partnership between Church Society and Union School of Theology. The Priscilla Programme is open to any woman who would like to better understand God's word and God's ways, for her own spiritual growth and to serve others. It is designed to help women teach the word, to care for others more biblically, and to be better able to give reasons for your faith, with modules on the Bible, doctrine, evangelism and apologetics, church history, and ethics and pastoral care. Particularly in organising the annual JAEC conference, and overseeing the network of ordinands, curates, and others in the JAEC Facebook group, she continued to help us promote the educational and training needs of people training to become ministers in the Church of England

During the year, Mrs Claire Aldritt joined us as Finance Assistant while Sophie Barker went on maternity leave, and David Meager continued to work hard behind the scenes as our cheerful and efficient Administrator. Huge thanks are due to those who work so diligently to keep the Society running smoothly and effectively — not only these staff members but also a wealth of volunteers who help with mailings, distribution, and all the work of our committees.

Of particular note, in this regard, is Dr Gerald Bray, who this year retired as Editor of international journal of theology, Churchman, after 35 years of service in that position. A collection of his penetrating editorials has been assembled for open access on our website, giving a fascinating insight into Anglicanism and Evangelicalism over the last 4 decades. We are extremely grateful to Dr Bray for the way he has maintained Churchman over these years as an influential print journal, resourcing Anglicans all over the world. The new editor, Dr Peter Jensen, takes over from January 2019.

The Society was notified of a legacy arising in 2018 to be used for its general charitable purposes in January 2019. As this is a share of residue, the size of the legacy has yet to be finally determined, but has been confirmed to be in excess of £200,000, which has been recognised as income in the year.

On 14th February 2019, the Society completed on the purchase of a house at 89 Shelford Road, Cambridge for a consideration of £805,000, £450,000 of which has been funded by a 30 year mortgage loan at a fixed interest rate of 4.25% for the first three years. The remaining balance has been provided from funds within the Dean Wace Memorial Fund so as to become an investment of that fund. Prior thereto, the house in Stourbridge Grove was transferred from the Dean Wace Memorial Fund to the Amalgamated Ordination and Training Fund for cash in accordance with an up to date valuation so that the house in Stourbridge Grove became an investment of the latter Fund. 89 Shelford Road is held as an investment of the Dean Wace Memorial Fund and to provide accommodation and working facilities for the Director for the better performance of the duties of his employment in place of rented accommodation previously provided.

#### Financial Review

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

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

Within Unrestricted Income, Donations and Legacies have fallen during 2018 despite an increase in subscriptions (the number of members have risen by 52% in the year) mainly due to a reduction in additional donations from members. In May 2018 the Associate Director increased her working hours to enable her work on the Priscilla Programme resulting in higher staff costs for 2018 though these costs have been substantially born by grants from donations and other grant funding. Overall, the result was an £199,154 increase in unrestricted funds, of which £2,624 related to loss on investments held by those funds. This was significantly above the budget set for the year due mainly to the recognition of the legacy noted above.

# Church Society

## Trustees' and directors' report For the year ended 31 December 2018

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Restricted and Endowment funds were significantly impacted by losses on investments; both a fall in the valuation of property and the listed investments that the funds hold. The overall result was a net reduction in Restricted funds of £69,803 and in Endowment funds of £83,102.

At 31 December 2018 the total reserves under the control of the charity were £3,027,743. Of these reserves, £1,631,202 are held as endowment funds and £1,075,178 as restricted funds and are therefore not available for the general purposes of the charity. £2,112,572 of the total reserves are held in tangible fixed assets or fixed asset investments. The general reserves carried forward of £321,363 are within the stated policy of sufficient reserves to cover operations for three years ahead.

### Managed Funds

Most of the managed funds are subsidiary charities for which the Council acts as Trustees (or sometimes as joint Trustees). In each case a trust deed or scheme sets the parameters within which the fund is to be used. A brief description of each can be found on pages 23 and 24 of the accounts. Several funds consist solely of freehold properties including churches, houses or halls. Because many of these are long-standing funds, issues have from time to time arisen in relation thereto as to their proper application and the Society has been undertaking a gradual programme of clarifying the precise nature of each trust.

The Council has no authority to expend permanent endowment funds but is under an obligation to make attempts to expend the income from those trusts. Other funds contain capital that the Council can spend should they so choose. In most cases the decision has been made not to spend capital unless there is a pressing reason to do so. Wherever income or capital is spent the Council must act within the terms of the Trust. In many instances the trusts were established with very clear terms as to how they should be used. The Council is very aware of the need to honour this in making grants or payments today.

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

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

### Statement on risks

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

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

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

### Statement of trustees'/directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;



## Church Society

### Trustees' and directors' report For the year ended 31 December 2018

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- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

#### Statement as to disclosure of information to auditors

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

#### Auditors

Jacob, Cavenagh and Skeet have expressed their willingness to continue as auditors and a resolution proposing their re-appointment having been passed by the Council of Church Society.

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

Approved by the Trustees  
and signed on their behalf by



Revd Dr M Burkill  
Trustee  
13<sup>TH</sup> March 2019

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

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## Opinion

We have audited the financial statements of Church Society (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including 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 Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the trustees' report.

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

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

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

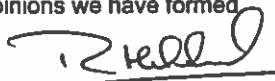
## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Use of our report

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



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

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: 29 March 2019.

**Church Society**  
**Statement of financial activities**  
**For the year ended 31 December 2018**

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2018 Total	Unrestricted funds	Restricted funds	Endowment funds	2017 Total
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
<i>Donations and legacies</i>		276,206	2,498	-	278,704	83,612	111,514	-	195,126
<i>Other trading activities:</i>									
Rent receivable		-	200	-	200	-	250	-	250
Fees and other income		13,368	-	-	13,368	5,982	-	-	5,982
Investments	2	50,674	45,791	-	96,465	46,729	45,836	118	92,663
<i>Charitable activities</i>									
Subscriptions, publications and conferences		22,890	3,404	-	26,294	19,852	4,064	-	23,916
<b>Total income</b>		<b>363,138</b>	<b>51,893</b>	<b>-</b>	<b>415,031</b>	<b>156,175</b>	<b>161,664</b>	<b>118</b>	<b>317,957</b>
<b>Expenditure on:</b>									
<i>Raising funds:</i>									
Fundraising and publicity		400	-	-	400	350	-	-	350
Rental property costs		-	4,902	-	4,902	-	5,039	-	5,039
<i>Charitable activities:</i>									
Grant funding of activities	3	-	28,752	500	29,252	-	26,065	-	26,065
Activities undertaken directly		159,937	8,205	-	168,142	144,385	18,893	1,000	164,278
Support costs		43,002	-	-	43,002	36,553	-	-	36,553
<b>Total expenditure</b>		<b>203,339</b>	<b>41,859</b>	<b>500</b>	<b>245,698</b>	<b>181,288</b>	<b>49,997</b>	<b>1,000</b>	<b>232,285</b>
<b>Net gains/(losses) on investments</b>		<b>(2,624)</b>	<b>(37,858)</b>	<b>(82,602)</b>	<b>(123,084)</b>	<b>1,205</b>	<b>(9,222)</b>	<b>(13,453)</b>	<b>(21,470)</b>
<b>Net income/(expenditure)</b>		<b>157,175</b>	<b>(27,824)</b>	<b>(83,102)</b>	<b>46,249</b>	<b>(23,908)</b>	<b>102,445</b>	<b>(14,335)</b>	<b>64,202</b>
Gross transfers between funds		41,979	(41,979)	-	-	29,780	(29,780)	-	-
Gains/(losses) on revaluation of fixed assets for charity's own use		-	-	-	-	-	-	-	-
Net movement in funds		199,154	(69,803)	(83,102)	46,249	5,872	72,665	(14,335)	64,202
<b>Reconciliation of funds</b>									
Balance at 1 January 2018		122,209	1,144,981	1,714,304	2,981,494	116,337	1,072,316	1,728,639	2,917,292
Balance carried forward at 31 December 2018		321,363	1,075,178	1,631,202	3,027,743	122,209	1,144,981	1,714,304	2,981,494

The notes on pages 11 to 27 form part of these financial statements.

All operations are continuing operations.

**Church Society**  
**Summary Income and expenditure account**  
**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Income	318,566	225,274
Gains/(losses) on investments	(123,084)	(21,470)
Interest and investment income	96,465	92,683
<b>Gross income in the reporting period</b>	<b>291,947</b>	<b>296,487</b>
Expenditure	242,817	231,319
Depreciation	2,881	966
<b>Total expenditure in the reporting period</b>	<b>245,698</b>	<b>232,285</b>
Net income for the year	46,249	64,202

**Statement of Comprehensive income**  
**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income for the year	46,249	64,202
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	-	-
<b>Total comprehensive income for the year</b>	<b>46,249</b>	<b>64,202</b>

**Church Society**  
**Balance Sheet**  
**As at 31 December 2018**

	Note	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		10,604		13,485
Investments	8		<u>2,101,968</u>		<u>2,225,057</u>
			2,112,572		2,238,542
<b>Current assets</b>					
Stocks	9	9,742		10,777	
Debtors	10	235,722		633,890	
Cash at bank and in hand		<u>703,075</u>		<u>144,014</u>	
		948,539		788,681	
<b>Creditors: amounts falling due within one year</b>					
	11	<u>(14,368)</u>		<u>(21,729)</u>	
<b>Net current assets</b>			934,171		766,952
<b>Total assets less current liabilities</b>			<u>3,046,743</u>		<u>3,005,494</u>
<b>Provision for liabilities</b>	20		(19,000)		(24,000)
<b>Net Assets</b>			<u><u>3,027,743</u></u>		<u><u>2,981,494</u></u>
<b>Funds</b>					
Endowment funds	12		1,631,202		1,714,304
Restricted funds	13		1,075,178		1,144,981
Unrestricted funds	14		321,363		122,209
			<u>3,027,743</u>		<u>2,981,494</u>

Included in the fund balances above are revaluation reserves of £194,093 in Endowment funds and £146,947 in Restricted funds.

The notes on pages 11 to 27 form part of these financial statements.

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

The financial statements were approved by the Board of Trustees on 13TH MARCH 2019 and were signed on its behalf by:

*M.E. Burkill*

Revd Dr M Burkill  
 Chairman

Company No. 213142

# Church Society

## Notes to the financial statements For the year ended 31 December 2018

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### 1. Accounting policies

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

#### 1.1 Accounting convention

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

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

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

#### 1.2 Classification of funds

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

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

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

#### 1.3 Depreciation of tangible assets

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

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

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

#### 1.4 Investments

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

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

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

#### 1.5 Investment Properties

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

# Church Society

## Notes to the financial statements For the year ended 31 December 2018

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### 1.6 Stocks

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

### 1.7 Debtors

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

### 1.8 Creditors and provisions

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

### 1.9 Financial instruments

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

### 1.10 Income

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

#### *Investment income*

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

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

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

### 1.11 Expenditure

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

#### *Raising funds*

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

#### *Charitable expenditure*

Charitable expenditure comprises those costs incurred by the Society in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them. They also include governance costs which comprise costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

#### *Grants*

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

#### *Allocation of costs*

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

### 1.12 Intangible income

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



# Church Society

## Notes to the financial statements For the year ended 31 December 2018

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### 1.13 Pension costs

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

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

### 1.14 Taxation

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

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## 2. Investment income

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Investment properties	68,279	64,603
Common investment funds	27,492	28,051
Cash deposits	<u>694</u>	<u>29</u>
	<u>96,465</u>	<u>92,683</u>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

<b>3 Grants paid</b>	<b>2018</b>	
	<b>£</b>	<b>£</b>
<b>Amalgamated Ordination and Training Fund</b>		
Scholarships	5,230	
Book grants	<u>499</u>	
		5,729
<b>Brighton Emmanuel Church</b>		
Grants to churches	<u>-</u>	
		-
<b>Dusseldorf</b>		
Grant to Christ Church	<u>500</u>	
		500
<b>Gloucester Mariners Housing Fund</b>		
Contribution to Gloucester Mariners Church	<u>-</u>	
		-
<b>Maidstone St Faith Parish Room</b>		
Contribution to St Faith's, Maidstone	<u>250</u>	
		250
<b>Paddock Wood Parochial Hall Trust</b>		
Contribution to Paddock Wood Church	<u>22,773</u>	
		22,773
<b>Publications Fund</b>		
Costs of Evangelical Publications	<u>-</u>	
		-
<b>Ryde Ecclesiastical Charity</b>		
Costs of Ryde Trustees	<u>-</u>	
		-
<b>Walthamstow Penrhyn Hall</b>		
Costs of Walthamstow Trustees	<u>-</u>	
		-
<b>Walthamstow St John's</b>		
Grant to St John's	<u>-</u>	
		-
		<u>29,252</u>
		<u>26,065</u>
2017 comparative		
		<u>26,065</u>
<b>4 Operating leases</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
The charity is committed to the following payments under operating leases:		
Not later than one year	14,050	5,700
Later than one year and not later than five years	<u>5,072</u>	-
	<u>19,122</u>	<u>5,700</u>
Lease payments charged to expenditure in the year	<u>14,975</u>	<u>11,400</u>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**5 Charitable activities**

	<i>Staff costs</i>	<i>Depreciation</i>	<i>Other costs</i>	<i>Total 2018</i>	<i>Total 2017</i>
	£	£	£	£	£
Grant funding of activities	-	-	29,252	29,252	26,065
Activities undertaken directly	61,540	2,881	103,721	168,142	164,278
Support costs	28,658	-	14,344	43,002	36,553
	<u>90,198</u>	<u>2,881</u>	<u>147,317</u>	<u>240,396</u>	<u>226,896</u>

**Other costs - Activities undertaken directly**

	<i>2018</i>	<i>2017</i>
	£	£
Establishment and property	30,601	28,821
Publications	28,744	28,279
Meetings and conferences	12,555	13,883
Professional and management fees	-	-
Other staff costs	25,990	24,628
Miscellaneous	5,831	14,122
	<u>103,721</u>	<u>109,733</u>

**Other costs - Support costs**

	<i>2018</i>	<i>2017</i>
	£	£
Professional and management fees	540	3,562
<i>Governance costs</i>		
Meetings and conferences	9,244	4,403
Auditors' remuneration – audit services	4,560	4,370
	<u>14,344</u>	<u>12,335</u>

**Staff costs**

	<i>2018</i>	<i>2017</i>
	£	£
Wages and salaries	81,002	62,660
Social security costs	2,779	1,557
Pension costs (see note 20)	6,417	12,022
	<u>90,198</u>	<u>76,239</u>

The average number of persons employed by the charitable company during the year was 4 (2017: 4). No employee earned more than £60,000.

**6 Trustee remuneration and related party transactions**

Council members receive no remuneration for their services. Their travelling expenses are reimbursed in respect of expenses incurred on either Church Society or Church Society Trust business. In the year ended 31 December 2018, 22 Council Members claimed reimbursement of travelling expenses totalling £5,406 (2017: £4,441). The total value of donations without conditions received from trustees was £667 (2017: £5,461).

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

The total employee benefits of the key management personnel of the charity were £84,050 (2017: £59,075).

As at 31 December 2018 a loan was outstanding between the Church Society and a member of the key management personnel of £100.

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**7 Tangible fixed assets**

	<i>Freehold property – held for charitable purposes</i>	<i>Fixtures fittings and equipment</i>	<i>Total</i>
	£	£	£
<b>Cost or valuation</b>			
As at 1 January 2018	7,000	16,731	23,731
Additions	-	-	-
Disposals	-	(3,880)	(3,880)
Revaluation	-	-	-
As at 31 December 2018	<u>7,000</u>	<u>12,851</u>	<u>19,851</u>
<b>Accumulated depreciation</b>			
As at 1 January 2018	-	10,246	10,246
Provision for the year	-	2,881	2,881
Eliminated on disposals	-	(3,880)	(3,880)
As at 31 December 2018	<u>-</u>	<u>9,247</u>	<u>9,247</u>
<b>Net book value</b>			
As at 31 December 2018	<u>7,000</u>	<u>3,604</u>	<u>10,604</u>
As at 31 December 2017	<u>7,000</u>	<u>6,485</u>	<u>13,485</u>

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

***Not inalienable – expendable endowment***

Lightbowne Evangelical Church

Gloucester Mariners Hall

St Andrews, Montserrat

Wigan St Catharine, Recreation Ground

***Not inalienable – permanent endowment***

Gloucester Mariners Church

***Inalienable – permanent endowment***

Penrhyn Hall, Walthamstow

Old Hill Hall

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

8 Fixed asset investments	<i>Freehold property – Commercial</i>					<i>Total</i>
	<i>Road, Paddock Wood</i>	<i>Flat in Trevithick House</i>	<i>Flat in Lulworth House</i>	<i>Stourbridge Grove House</i>	<i>Listed Investments</i>	
	£	£	£	£	£	£
<b>Cost or valuation</b>						
Valuation at 1 January 2018	25,000	350,000	437,500	475,000	937,557	2,225,057
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation	-	(20,000)	(62,500)	-	(40,589)	(123,089)
Market valuation at 31 December 2018	<u>25,000</u>	<u>330,000</u>	<u>375,000</u>	<u>475,000</u>	<u>896,968</u>	<u>2,101,968</u>
<b>Historic cost</b>	<u>-</u>	<u>193,560</u>	<u>234,553</u>	<u>473,327</u>	<u>865,069</u>	<u>1,766,509</u>

Commercial Road, Paddock Wood – valued in November 1995 by Ibbett Mosely Chartered Surveyors at a value of £3,000 (historic cost £nil). Value updated as at 31 December 2007 and confirmed as at 31 December 2018 by a formal valuation by Ibbett Mosely Chartered Surveyors as £25,000.

The flat in Trevithick house was bought in 2010 at a cost of £193,560, as a joint investment between four funds. Its valuation of £350,000 at the beginning of the year has decreased based on a professional valuation obtained through letting agents as at 31 December 2018 to £330,000. All costs and income are shared equally. The flat is leasehold property.

The flat in Lulworth house was bought in 2012 at a cost of £234,553 as a joint investment between four funds. Its valuation of £437,500 at the beginning of the year has decreased based on a professional valuation obtained through letting agents as at 31 December 2018 to £375,000. All costs and income are shared proportionally to the amount invested by each fund. The flat is leasehold property.

The house in Stourbridge Grove was bought in 2015 at a cost of £431,575 as an investment of the Dean Waca Memorial Fund. An additional £41,752 was spent on refurbishment. Its value stayed the same based on a professional valuation obtained through letting agents as at 31 December 2018.

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

9 Stocks	2018	2017
	£	£
Publications for resale	<u>9,742</u>	<u>10,777</u>

10 Debtors	2018	2017
	£	£
Prepayments	14,788	6,008
Other debtors	<u>220,934</u>	<u>627,882</u>
	<u>235,722</u>	<u>633,890</u>

11 Creditors: amounts falling due within one year	2018	2017
	£	£
Other creditors	-	-
Deferred income	3,287	4,099
Accruals	<u>11,081</u>	<u>17,630</u>
	<u>14,368</u>	<u>21,729</u>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

	12 Movement on Endowment funds					Movement in funds					Movement in funds					
	Balance 1 January 2017	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2017	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2018	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2018
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Permanent endowment funds</b>																
E A Beyron Fund	176,414	-	-	-	(11,189)	165,226	-	-	-	(13,869)	151,357	-	-	-	-	151,357
Birchington Convalescent Benefit Fund	65,347	-	-	-	723	66,070	-	-	-	(4,498)	61,572	-	-	-	-	61,572
Brighton Emmanuel	311,797	-	-	-	(14,019)	297,778	-	-	-	(30,835)	266,943	-	-	-	-	266,943
Dean Wace Memorial	823,862	118	-	-	21,842	845,622	-	-	-	(8,762)	836,860	-	-	-	-	836,860
Gloucester Mariners Church	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Leamington Spa, Christchurch	61,943	-	-	-	602	62,545	-	-	-	(3,748)	58,797	-	-	-	-	58,797
Maldstone, St Faith Parish Room	209,617	-	-	-	(11,872)	197,745	-	-	-	(18,034)	179,711	-	-	-	-	179,711
Old Hill Hall	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
	<b>1,651,780</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>(13,912)</b>	<b>1,637,966</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,746)</b>	<b>1,558,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,558,240</b>
<b>Expendable endowment funds</b>																
Lightbowne Evangelical Church, Manchester	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
St Andrews, Montserrat	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Southfields Scout Hut	1,000	-	(1,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Düsseldorf Chaplaincy	2,790	-	-	-	-	2,790	-	(500)	-	-	2,290	-	-	-	-	2,290
Gloucester Mariners Residence	44,069	-	-	-	459	44,528	-	-	-	(2,856)	41,672	-	-	-	-	41,672
Paddock Wood Parochial Church Hall Trust	25,000	-	-	-	-	25,000	-	-	-	-	25,000	-	-	-	-	25,000
Wigan Recreation Ground	1,000	-	-	-	-	1,000	-	-	-	-	1,000	-	-	-	-	1,000
	<b>76,859</b>	<b>-</b>	<b>(1,000)</b>	<b>-</b>	<b>459</b>	<b>76,318</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(2,856)</b>	<b>72,962</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,962</b>
	<b>1,728,639</b>	<b>118</b>	<b>(1,000)</b>	<b>-</b>	<b>(13,453)</b>	<b>1,714,304</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(82,602)</b>	<b>1,631,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,631,202</b>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

13 Movement on restricted funds

	Movement in funds					Movement in funds					
	Balance 1 January 2017	Income	Expenditure	Transfers	Gain/losses on revaluation	Balance 31 December 2017	Income	Expenditure	Transfers	Gain/losses on revaluation	Balance 31 December 2018
	£	£	£	£	£	£	£	£	£	£	£
Amalg. Ord. and Training Fund	783,024	122,350	(4,858)	(12,355)	(14,061)	874,100	12,659	(7,631)	(22,993)	(28,280)	827,875
Birchington Convalescent Fund	(287)	1,133	-	(980)	-	(144)	1,025	-	(991)	-	(110)
Brighton Emmanuel Trust	5,658	13,116	(2,929)	(7,677)	-	8,168	12,992	(2,854)	(7,467)	-	10,839
Düsseldorf	537	-	-	(42)	-	495	-	-	(35)	-	460
Gloucester, Mariners Hall	228	-	-	-	-	228	-	-	-	-	228
Gloucester Mariners Residence Fund	1,272	869	(489)	(681)	-	994	651	(6)	(668)	-	971
JAEC	156	5,414	(8,677)	3,107	-	-	3,404	(7,084)	3,690	-	-
Leamington Spa, Christchurch Fund	1,074	944	-	(929)	-	1,089	854	-	(938)	-	1,005
Maldstone, St Faith Parish Room Fund	3,699	8,891	(1,585)	(6,144)	-	4,861	8,886	(1,511)	(5,966)	-	5,873
Paddock Wood Parochial Church Hall Trust Fund	231,792	8,626	(22,376)	(3,477)	3,958	218,525	8,623	(22,773)	(3,365)	(8,622)	192,388
Publications	179	-	-	-	-	179	-	-	(179)	-	-
Ryde Ecoclassical Charity	26,097	206	-	(391)	132	26,044	187	-	(399)	(819)	25,013
The Pricella Fund	9,167	14	(9,086)	(85)	-	-	2,498	-	(2,498)	-	-
Walthamstow, Penryn Hall Trust fund	5,764	177	-	(86)	445	6,300	184	-	(95)	(83)	6,296
Walthamstow, St John Fund	3,976	122	-	(60)	304	4,342	127	-	(65)	(84)	4,340
	1,072,316	161,664	(49,997)	(29,780)	(9,222)	1,144,991	51,893	(41,859)	(41,979)	(37,858)	1,075,178

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**14 Movement on unrestricted funds**

	Movement In funds					<i>Balance 31 December 2018</i>
	<i>Balance 1 January 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>	
	£	£	£	£	£	
General Fund	118,360	359,289	(203,339)	41,979	(2,624)	313,665
Dean Wace Income	3,849	3,849	-	-	-	7,698
	<u>122,209</u>	<u>363,138</u>	<u>(203,339)</u>	<u>41,979</u>	<u>(2,624)</u>	<u>321,363</u>

	Movement In					<i>Balance 31 December 2017</i>
	<i>Balance 1 January 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>	
	£	£	£	£	£	
General Fund	116,337	152,326	(181,288)	29,780	1,205	116,360
Dean Wace Income	-	3,849	-	-	-	3,849
	<u>116,337</u>	<u>156,175</u>	<u>(181,288)</u>	<u>29,780</u>	<u>1,205</u>	<u>122,209</u>

**15 Net assets held by funds**

	<i>Balance 31 December 2018</i>			<i>Total funds</i>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	
	£	£	£	
Tangible fixed assets	3,604	-	7,000	10,604
Fixed asset investments	65,630	468,650	1,567,688	2,101,968
Net current assets	271,129	606,528	56,514	934,171
Provision for liabilities	(19,000)	-	-	(19,000)
	<u>321,363</u>	<u>1,075,178</u>	<u>1,631,202</u>	<u>3,027,743</u>

	<i>Balance 31 December 2017</i>			<i>Total funds</i>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	
	£	£	£	
Tangible fixed assets	6,485	-	7,000	13,485
Fixed asset investments	68,254	506,513	1,650,290	2,225,057
Net current assets	71,470	638,468	57,014	766,952
Provision for liabilities	(24,000)	-	-	(24,000)
	<u>122,209</u>	<u>1,144,981</u>	<u>1,714,304</u>	<u>2,981,494</u>



**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**16 Net assets held by endowment funds**

	<i>Tangible Fixed assets</i>	<i>Fixed Asset Investments</i>	<i>Net Current assets</i>	<i>Total</i>
	£	£	£	£
<b>Permanent endowment funds</b>				
E A Beynon Fund	-	147,166	4,191	151,357
Birchington Convalescent Benefit Fund	-	58,400	3,172	61,572
Brighton Emmanuel	-	259,795	7,148	266,943
Dean Wace Memorial	-	816,633	20,227	836,860
Gloucester Mariners Church	1,000	-	-	1,000
Leamington Spa, Christchurch	-	48,663	10,134	58,797
Maidstone, St Faith Parish Room	-	174,949	4,762	179,711
Old Hill Hall	1,000	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
	<b>3,000</b>	<b>1,505,606</b>	<b>49,634</b>	<b>1,558,240</b>
<b>Expendable endowment funds</b>				
Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	1,000
St Andrews, Montserrat	1,000	-	-	1,000
Düsseldorf Chaplaincy	-	-	2,290	2,290
Gloucester Mariners Residence	-	37,082	4,590	41,672
Paddock Wood Parochial Church Hall Trust	-	25,000	-	25,000
Wigan Recreation Ground	1,000	-	-	1,000
	<b>4,000</b>	<b>62,082</b>	<b>6,880</b>	<b>72,962</b>
	<b>7,000</b>	<b>1,567,688</b>	<b>56,514</b>	<b>1,631,202</b>
Original cost	20,561	609,539	40,371	1,183,535
Revaluations	(13,561)	958,149	16,143	447,667
	<b>7,000</b>	<b>1,567,688</b>	<b>56,514</b>	<b>1,631,202</b>

**Church Society**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**17 Net assets held by restricted funds**

	<i>Tangible Fixed assets</i>	<i>Fixed Asset Investments</i>	<i>Net Current assets</i>	<i>Total</i>
	£	£	£	£
Amalg. Ord. and Training Fund	-	233,477	594,398	827,875
Birchington Convalescent Fund	-	-	(110)	(110)
Brighton Emmanuel Trust	-	-	10,839	10,839
Düsseldorf	-	-	460	460
Gloucester, Mariners Hall	-	-	228	228
Gloucester Mariners Residence Fund	-	-	971	971
JAEC	-	-	-	-
Leamington Spa, Christchurch Fund	-	-	1,005	1,005
Maidstone, St Faith Parish Room Fund	-	-	5,873	5,873
Paddock Wood Parochial Church Hall Trust Fund	-	215,640	(23,252)	192,388
Publications	-	-	-	-
Ryde Ecclesiastical Charity	-	10,640	14,373	25,013
Walthamstow, Penrhyn Hall Trust fund	-	5,284	1,012	6,296
Walthamstow, St John Fund	-	3,609	731	4,340
	-	468,650	606,528	1,075,178
Original cost	-	190,911	45,869	236,780
Revaluations	-	277,739	560,659	838,398
	-	468,650	606,528	1,075,178

**18 Net assets held by unrestricted funds**

	<i>Tangible Fixed assets</i>	<i>Fixed Asset Investments</i>	<i>Net Current assets</i>	<i>Total</i>
	£	£	£	£
General fund	3,604	65,630	244,431	313,665
Dean Wace Income	-	-	7,698	7,698
	3,604	65,630	252,129	321,363

# Church Society

## Notes to the financial statements For the year ended 31 December 2018

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### 19. Purpose of funds

Amalgamated Ordination and Training Fund	To assist with and promote the educational and training needs of those persons who are, or are training to become, ministers in the established Church of England who subscribe to the conservative, evangelical tradition. On approval of the Finance Committee, internal grants are made in line with fund purposes and are shown as transfers in the accounts.
E A Beynon Fund	For the general purposes of the National Church League which in 1950 merged with Church Association to become Church Society.
Birchington Convalescent Benefit Fund	To make grants to enable poor children and in default of poor children other poor persons to obtain convalescent treatment after illness.
Brighton, Emmanuel Church	To maintain Christian and missionary work on Scriptural Protestant and Evangelical lines so far as practicable in the Brighton and Hove area and subject thereto elsewhere.
Dean Wace Memorial Fund	To provide land and buildings for Church Society and income for the Society's general purposes.
Düsseldorf Chaplaincy	To pay for the expenses of Christ Church, Düsseldorf in relation to both the upkeep of buildings and the employment of staff.
Gloucester Mariners Residence	To provide a residence for the chaplain of the Mariner's Chapel or to provide for the general work of the Mariners Chapel.
JAEC fund	To provide for the holding of the annual Junior Anglican Evangelical Conference that the Society took over responsibility for organising in 2014.
Leamington Spa, Christ Church	For the augmentation of the stipend of the Incumbent of St Mark's, Leamington Spa, so long as the doctrine and worship in the parish of St Mark's are evangelical in character.
Maidstone, St Faith Parish Room	Subject to the appointment of a vicar within 10 years of the sale of the Parish Room and to such vicar maintaining and carrying on a protestant reformed tradition, to provide funds for the Church and otherwise for the general purposes of Church Society.
Paddock Wood Parochial Church Hall Trust	To provide funds for evangelical purposes in or in connection with the parish of St. Andrew's Paddock Wood.
Priscilla Fund	Established in 2018 to fund a new training course for women in local Bible-teaching ministries. The transfer of these funds reflects their application to relevant costs incurred by the Priscilla course.
Publications Fund	Established in 2003 to further the publishing work of Church Society including the production, marketing and distribution of material for sale or free distribution. This fund was concluded in 2018.
Ryde Ecclesiastical Charity	To further the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Ryde.
Walthamstow, Penrhyn Hall Trust	To permit the Penrhyn Hall to be used under the direction and control of the vicar of St. John's Walthamstow so long as it is used consistently with evangelical principles.

# Church Society

## Notes to the financial statements For the year ended 31 December 2018

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Walthamstow, St John

To support any work within the parish of St. John's Walthamstow, either being part of church activities or in support of charities operating within the parish.

Freeholds held on behalf of Churches or other charities.

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

### 20. Pension Schemes

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

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

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

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

#### Pension Builder Scheme

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

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

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2018: £2,062, 2017: £1,688)

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

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time. For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

# Church Society

## Notes to the financial statements For the year ended 31 December 2018

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2018: £6,354, 2017: £6,334), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £4,354 for 2018 (2017: £10,334).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2015. A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
- for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030 (with the remainder in return-seeking assets); and
- 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2016 to December 2017	January 2018 to December 2025
Deficit repair contributions	14.1%	11.9%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017 and 31 December 2018 were as set out in the above table.

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

# Church Society

## Notes to the financial statements For the year ended 31 December 2018

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2018	2017
Balance sheet liability at 1 January	24,000	23,000
Deficit contribution paid	(3,000)	(3,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	(2,000)	4,000
Balance sheet liability at 31 December	19,000	24,000

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

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

	December 2018	December 2017	December 2016
Discount rate	2.1% pa	1.4% pa	1.5% pa
Price inflation	3.1% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.5% pa	1.6% pa

### 21. Capital commitments and contingent liabilities

The charitable company had no material capital commitments or contingent liabilities at 31 December 2018. (2017: £nil).

The Society is in discussion with HM Revenue & Customs about the tax treatment of certain aspects of its remuneration arrangements. The outcome of those discussions will determine whether the Society has any additional liability in respect of its employment arrangements which have not been provided for in these financial statements. The magnitude of any possible liability cannot be determined at this time, but the Society expects to be able to fund any possible liability from its ongoing resources.

### 22. Luckley-Oakfield School Trust

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

### 23. Ryde, St James

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

## Church Society

### Notes to the financial statements For the year ended 31 December 2018

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#### 24. Hollabury Mission Hall Trust

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

#### 25. Subsequent events

The Society was notified of a legacy arising in 2018 to be used for its general charitable purposes in January 2019. As this is a share of residue, the size of the legacy has yet to be finally determined, but has been confirmed to be in excess of £200,000, which has been recognised as income in the year.

On 14th February 2019, the Society completed on the purchase of a house at 89 Shelford Road, Cambridge for a consideration of £805,000, £450,000 of which has been funded by a 30 year mortgage loan at a fixed interest rate of 4.25% for the first three years. The remaining balance has been provided from funds within the Dean Wace Memorial Fund so as to become an investment of that fund. Prior thereto, the house in Stourbridge Grove was transferred from the Dean Wace Memorial Fund to the Amalgamated Ordination and Training Fund for cash in accordance with an up to date valuation so that the house in Stourbridge Grove became an investment of the latter Fund. 89 Shelford Road is held as an investment of the Dean Wace Memorial Fund and to provide accommodation and working facilities for the Director for the better performance of the duties of his employment in place of rented accommodation previously provided.