

Report and Financial Statements

For the year ended 31 December 2019

Church Society
(A company limited by guarantee)

Company No 213142
Charity Registration No 249574

Church Society

Financial statements for the year ended 31 December 2019

Contents

Trustees' and directors' report	1 - 5
Independent auditor's report	6 - 7
Statement of financial activities	8
Income and expenditure account	9
Balance sheet	10
Notes to the financial statements	11 - 25

Church Society

Financial statements for the year ended 31 December 2019

Council members	The Revd N T Atkinson The Revd Dr M E Burkill Mr P M Cawson QC The Revd Dr A V Cinnamon The Revd G T Crowder (until 18 May 2019) The Revd P T Darlington Mr J Eggertsen The Revd R W Farr (until 18 May 2019) (from 13 July 2019) The Revd Dr J Hughes Mrs R C Hunt The Revd C R H Kilgour The Revd Canon Angus MacLeay (until 18 May 2019) The Revd R S Munro Mrs A Robbie The Revd M I A Smith (until 18 May 2019) The Revd J C Taylor (until 22 March 2019) The Revd W Taylor (until 18 May 2019) (from 13 July 2019) The Revd A P J Towner (Chairman) The Revd Dr J D Ward The Revd R A R Weekes The Revd T Woolford (from 18 May 2019)
Director	The Revd Dr Lee Gatiss
Charity number	249574
Company number	213142
Registered office	Hille Business Estate 132 St Albans Road Watford WD24 4AE
Auditors	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
Principal address	Hille Business Estate 132 St Albans Road Watford WD24 4AE

Church Society

Financial statements for the year ended 31 December 2019

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 2019

The directors present their report and the financial statements for the year ended 31 December 2019 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 key management personnel of the Society are the Council (the Trustees), The Director Revd Dr Lee Gatiss and the Associate Director Dr Ros Clarke. They are in charge of directing, controlling, running and operating the charity on a day to day basis. The Council consists of up to 15 people elected annually by the members of the Society. Up to 5 additional members Council members can be co-opted as required and in 2019, there were two co-opted members of the Council. New trustees are provided with guidance on their responsibilities.

The trustees give of their time freely and did not receive any remuneration in the year. Details of related party transactions are disclosed in Note 7 to the financial statements. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Members of staff received small salary increases in April 2019 that are broadly in line with wage inflation. The Church Society will continue to benchmark staff benefits against staff performing similar roles in similar charities.

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, and their work was greatly assisted by two part-time regional directors, each enabled to do this work through the generous support of their churches. Other volunteers also assist in many areas and their efforts are much appreciated. The Society is an association of members who share a common vision and members do much of the work of the Society.

Activities and achievements

During the course of the year Church Society continued to be actively involved in fulfilling its primary objectives of promoting what the Queen's Coronation Oath refers to as "The true profession of the gospel... the Protestant Reformed religion" — which is the 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.

Church Society

Trustees' and directors' report For the year ended 31 December 2019

The Society was involved with organising four conferences during the year. In February 2019, the annual Fellowship of Word and Spirit conference came under the auspices of Church Society. This was a residential conference featuring Tim Ward, lecturer in homiletics at Oak Hill College, as the main speaker, with Bible readings by Dick Farr, and seminars led by Mark Lucas, George Crowder and James Hughes. As always at this conference, the aim is 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.

In May we hosted our annual Church Society national day conference, and AGM, at Christ Church, Mayfair, under the title of 'Redeeming Love and Faith'. We were delighted to have Bishop Keith Sinclair and Revd Iain Baker speak at the conference, as well as our Director, Revd Dr Lee Gatiss, and Associate Director, Dr Ros Clarke. Bishop Keith outlined the Bible's teaching on sex and sexuality; Iain addressed some of the specific pastoral concerns around this issue; Ros gave us an eschatological perspective; and Lee urged us to keep contending for biblical truth on this issue in the Church of England. At the AGM, new council members were elected and the Chair of the Council, Mark Burkill reported on the excellent progress which had been made over the past year in putting the agreed merger with Reform and FWS into effect.

At the end of August, we hosted the annual Junior Anglican Evangelical Conference (JAEC) at Kings Park Conference Centre in Northampton. This year the conference took as its theme "The Future Starts Now: Evangelicals and the Church of England today". This conference is aimed at those in training or in the early years of Anglican ministry and this year we were pleased to have delegates from a wide variety of training institutions and a breadth of evangelical Anglicanism. There were excellent sessions led by Andrew Towner, Lee Gatiss, John Dunnett, Fiona Gibson, Mark Wallace and Mark Tanner, helping us all to think more about what it means to be evangelical and Anglican in the Church of England today. Discounts were offered for non-ordained men and women and we also gave bursaries to some delegates.

The ReNew conference is an annual residential conference sponsored by Church Society and AMiE, held in Leeds in mid-September. Around 500 delegates gathered from across the country for 24 hours of talks, Bible readings, seminars and other presentations. This year's theme was *Multiplying Ministries in the Light of Eternity*. Canon Theologian Dr Kendall Harmon, from the Diocese of South Carolina spoke powerfully on the subject of hell and God's judgement. Archbishop Ben Kwashi, General Secretary of GAFCON, provided a welcome perspective on global Anglicanism. There were some very encouraging presentations showing different ways that evangelical Anglican churches are being planted, growing and being revitalised across England, and useful coaching sessions dealing with specific circumstances. Prior to the conference briefing papers were sent out, including a paper by Lee Gatiss on contending for the faith, an analysis of the current clergy discipline rules, and a discussion of possible future options within the Church of England.

Our aim is to equip God's people to live God's word, as a fellowship contending to reform and renew the Church of England in biblical faith. One of our key strategies for doing this is by resourcing local churches and Christians through our publishing ministry, which includes print media, online resources, and audio-visual resources. We continue to publish our quarterly theological journal *Churchman*, and our quarterly members' magazine *Crossway*. On the website, we have a regularly updated blog plus a host of other resources, including a weekly podcast. This year our social media channels extended to include YouTube, as well as Twitter, Facebook, Soundcloud and Vimeo. Our daily Lent blog, *Fight Valiantly!*, was accompanied by daily videos. We continued to make regular contributions to the *Church of England Newspaper* and one of our Regional Directors has taken over the column expounding the weekly Bible readings from the Anglican lectionary.

Church Society published three books in 2019. *Gospel Flourishing in a Time of Confusion* brought together papers from a Fellowship of Word and Spirit study day and the 2018 Church Society Conference to provide wisdom from the Bible and church history for Anglican evangelicals confused by the problems facing the contemporary church. In *Fight Valiantly! Contending for the Faith in the Bible and in the Church of England*, Lee Gatiss surveyed the Bible's teaching on contending for the faith, applied this to the Church of England today, and then gathered a wide collection of stories from people contending for the faith in different ways in different contexts. The book concludes with a series of Bible study guides suitable for use by individuals or in small groups. Several of the stories and the study guides were also published in a special edition of *Crossway*, which were also made available in a study pack, together with the book. One church ordered 50 copies of this edition of *Crossway*, for all their lay leaders to study. Finally, in December, we published *Reach, Build, Send: A Pattern for Anglican Ministry*, an edited collection including contributions from Kirsty Birkett, Mark Burkill, Lee Gatiss, Rod Thomas, Glen Scrivener, Paul G. Williams, and Paul A. Williams.

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 the council of Affinity. He is also a member of the Latimer Trust Theological Workgroup and the Bishop of Maidstone's advisory group. He has completed his weekly video ministry, "Lee on the Lectionary" (facebook.com/lectionarylee), having reached the end of the three year lectionary cycle. He has also published two books: *Light After Darkness: How the Reformers Regained, Retold, and Relied on the Gospel of Grace* (Christian Focus) and the *Reformation Commentary on Scripture* (Vol. XII on the Pastoral Epistles and other letters of Paul), together with Brad Green (IVP). He has also continued to write regular columns in the *Church of England Newspaper*, and *Evangelicals Now*,

Church Society

Trustees' and directors' report For the year ended 31 December 2019

as well as in Oak Hill's *Commentary* magazine and, of course, *Crossway*. Our regional Director, George Crowder, took on the CEN column half way through 2019. In autumn 2019 he also took on the editorship of *Foundations*, an international journal of evangelical theology published by Affinity, for a few months until he helped our partners there secure a long-term successor for that post.

The Director spoke and lectured in various places over the year, including day conferences encouraging evangelical Anglicans to consider ordained ministry, the Chester Association, the Anglican Essentials conference for the Church in Wales, the Cornhill Training Course, the St Albans DEF, the Bible by the Beach convention, Laleham PCC Away Day, and at meetings for church leaders in Leicester diocese. He also preached at St Fimbarus, Fowey, St Peter's, Stapenhill, Hailsham Parish Church, and All Saints, Lindfield, as well as recording video training material for the Priscilla Programme and 32 videos for our Lent material.

From mid-October, the Director was on sabbatical, as approved by the Council, during which time he also worked on various writing and editing projects, as well as attending and speaking at conferences in Athens and Cambridge.

Our Associate Director, Dr Ros Clarke, has been active in maintaining and expanding our internet and print publications ministry, particularly by editing *Crossway*, serving on the editorial board of *Churchman*, and taking charge of our web-based resources, including a weekly podcast which featured regular book reviews, interviews with individual CST churches, and items devoted to diverse issues such as singleness, catechism, sexuality and Thomas Becket. She also continued to develop the Priscilla Programme, an online training course for women designed to help women teach the word, to care for others more biblically, and to be better able to give reasons for their faith, and run in partnership between Church Society and Union School of Theology. Student numbers increased from 7 to 17 during the course of the year, and two additional seminar leaders have been recruited to enable this to multiply further. Through her work 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 Director's sabbatical, she took on the role of Acting Director.

Our work has been greatly enhanced this year by the contributions of Revd George Crowder and Revd Mark Wallace as Regional Directors for the north and south of England respectively. George and Mark have each been given permission by their churches and bishops to spend several hours a week in these roles, and we are very grateful for the time they been able to give to visiting and encouraging regional groups of clergy, and supporting individuals through difficult situations.

During the year, Sophie Barker returned to her role as Finance Assistant, following her maternity leave. Claire Alldritt stayed on to help us with some additional tasks for a few weeks, but has now left. David Meager continued to work hard behind the scenes as our cheerful and efficient Administrator. We are extremely grateful to these staff members who work so diligently to keep the Society running smoothly and effectively, and also to the a wealth of volunteers who help with in the office and on our committees.

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 2019 due to the significant legacy accounted for in 2018. However, excluding the legacy impact, donations have increased during the year. An increase in costs also occurred during the year partly due to Church Society expanding its work through the Regional Directors. Overall, the result was a £11,124 reduction in unrestricted funds, of which £42,763 related to loss on revaluation of fixed assets for the charity's own use.

Due to the challenging property market, the property portfolio valuation was significantly impacted in the year whereas the listed investments noted overall gains. Restricted funds had a net reduction of £17,404 on investments, as they hold a greater weighing within property investments whereas the Endowment funds noted a gain of £36,433 as more funds are in listed investments. However, Endowment funds did note a loss of £34,521 on revaluation of fixed assets for the charity's own use.

At 31 December 2019 the total reserves under the control of the charity were £2,963,570. Of these reserves, £1,614,088 are held as endowment funds and £1,039,243 as restricted funds and are therefore not available for the general purposes of the charity. £2,989,368 of the total reserves are held in tangible fixed assets or fixed asset investments. The remaining general reserves of £310,239 are within the stated policy of sufficient reserves to cover operations for three years ahead.

Church Society

Trustees' and directors' report For the year ended 31 December 2019

Managed Funds

Most of the managed funds are subsidiary charities for which the Council acts as Trustees (or sometimes as joint Trustees). In each case a trust deed or scheme sets the parameters within which the fund is to be used. A brief description of each can be found on page 22 of the accounts. Several funds consist solely of freehold properties including churches, houses or halls. Because many of these are long-standing funds, issues have from time to time arisen in relation thereto as to their proper application and the Society has been undertaking a gradual programme of clarifying the precise nature of each trust.

The Council has no authority to expend permanent endowment funds but is under an obligation to make attempts to expend the income from those trusts. Therefore, the endowment reserves are invested, where appropriate, in order to provide income to fulfil the relevant funds' purposes. The investment portfolio is regularly reviewed by the Finance Committee. Other funds contain capital that the Council can spend should they so choose. In most cases the decision has been made not to spend capital unless there is a pressing reason to do so. Wherever capital is spent the Council must act within the terms of the Trust. In many instances the trusts were established with very clear terms as to how they should be used. The Council is very aware of the need to honour this in making grants or payments today. The same principals are used for the income from the funds. Where the Restricted Funds have a significant level of assets these may be invested to provide income to be applied in increasing cash reserves for future use and cash reserves that are actively used each year in line with the relevant funds' purposes. Where the assets of a restricted fund are less significant these are monitored unless and until the cash reserves are sufficient to make the application thereof feasible.

The administration of these funds can be a significant burden, in particular where the trust deed has theological restrictions, which have to be assessed, and where properties are involved. The Council has taken steps to reduce this burden in particular by setting up two of the trusts as separate charities much as happened with Luckley Oakfield School forty years ago. There is a possibility of doing this for others. A list of the grants made from funds can be found on page 13. In line with common practice the Society charges an administration fee against managed funds. This was changed in July 2019 to the lesser of 1.5% on the balance of invested funds at the start of the year or 50% of the income of the fund.

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

Statement on risks

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

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

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

Statement of trustees'/directors' responsibilities

The trustees (who are also the directors of Church Society for the purposes of company law) are responsible for preparing the 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;
- observe the methods and principles in SORP 2015 (FRS 102);
- 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

Church Society

Trustees' and directors' report For the year ended 31 December 2019

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Statement as to disclosure of information to auditors

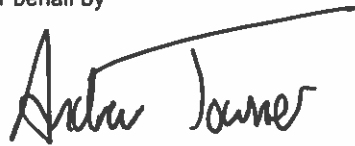
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit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

Auditors

Jacob, Cavenagh and Skeet have expressed their willingness to continue as auditors and a resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

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

Approved by the Trustees
and signed on their behalf by



Revd A P J Towner
Trustee
25 March 2020

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

Opinion

We have audited the financial statements of Church Society (the 'charity') for the year ended 31 December 2019 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 2019 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

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.

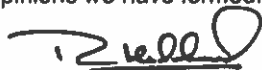
Auditor's responsibilities for the audit of the financial statements

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: 20 April 2020

Church Society
Statement of financial activities
For the year ended 31 December 2019

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2019 Total	Unrestricted funds	Restricted funds	Endowment funds	2018 Total
		£	£	£	£	£	£	£	£
Income from:									
<i>Donations and legacies</i>		142,294	720	-	143,004	276,206	2,498	-	278,704
<i>Other trading activities:</i>									
Rent receivable		-	200	-	200	-	200	-	200
Fees and other income		13,695	3,675	-	17,370	13,368	-	-	13,368
<i>Investments</i>	2	29,275	76,557	-	105,832	50,674	45,791	-	96,465
<i>Charitable activities</i>									
Subscriptions, publications and conferences		22,117	3,552	-	25,669	22,890	3,404	-	26,294
Total Income		207,371	84,704	-	292,075	363,138	51,893	-	415,031
Expenditure on:									
<i>Raising funds:</i>									
Fundraising and publicity		667	-	-	667	400	-	-	400
Rental property costs		6,390	17,641	-	24,031	-	4,902	-	4,902
<i>Charitable activities:</i>									
Grant funding of activities	3	750	27,920	19,026	47,696	-	28,752	500	29,252
Activities undertaken directly		171,142	7,451	-	178,593	159,937	8,205	-	168,142
Support costs		45,227	-	-	45,227	43,002	-	-	43,002
Total expenditure		224,176	53,012	19,026	296,214	203,339	41,859	500	245,698
Net gains/(losses) on investments		(1,779)	(17,404)	36,433	17,250	(2,624)	(37,858)	(82,602)	(123,084)
Net (expenditure)/income		(18,584)	14,288	17,407	13,111	157,175	(27,824)	(83,102)	46,249
Gross transfers between funds	4	50,223	(50,223)	-	-	41,979	(41,979)	-	-
Gains/(losses) on revaluation of fixed assets for charity's own use		(42,763)	-	(34,521)	(77,284)	-	-	-	-
Net movement in funds		(11,124)	(35,935)	(17,114)	(64,173)	199,154	(69,803)	(83,102)	46,249
Reconciliation of funds									
Balance at 1 January 2019		321,363	1,075,178	1,631,202	3,027,743	122,209	1,144,981	1,714,304	2,981,494
Balances carried forward at 31 December 2019		310,239	1,039,243	1,614,088	2,963,570	321,363	1,075,178	1,631,202	3,027,743

The notes on pages 11 to 25 form part of these financial statements.

All operations are continuing operations.

Church Society
Summary Income and expenditure account
For the year ended 31 December 2019

	2019	2018
	£	£
Income	186,243	318,566
Gains/(losses) on investments	17,250	(123,084)
Interest and investment income	105,832	96,465
Gross income in the reporting period	309,325	291,947
Expenditure	293,633	242,817
Depreciation	2,581	2,881
Total expenditure in the reporting period	296,214	245,698
Net (expenditure)/income for the year	13,111	46,249

Statement of Comprehensive income
For the year ended 31 December 2019

	2019	2018
	£	£
Net (expenditure)/income for the year	13,111	46,249
Other comprehensive income		
Revaluation of tangible fixed assets	(77,284)	-
Total comprehensive income for the year	(64,173)	46,249

**Church Society
Balance Sheet
As at 31 December 2019**

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	8		638,221		10,604
Investments	9		<u>2,351,147</u>		<u>2,101,968</u>
			2,989,368		2,112,572
Current assets					
Stocks	10	7,616		9,742	
Debtors	11	23,173		235,722	
Cash at bank and in hand		<u>412,450</u>		<u>703,075</u>	
		443,239		948,539	
Creditors: amounts falling due within one year					
	12	<u>(33,101)</u>		<u>(14,368)</u>	
Net current assets			410,138		934,171
Total assets less current liabilities			<u>3,399,506</u>		<u>3,046,743</u>
Creditors: amounts falling due after more than one year					
	13		(429,936)		-
Provision for liabilities	22		(6,000)		(19,000)
Net Assets			<u><u>2,963,570</u></u>		<u><u>3,027,743</u></u>
Funds					
Endowment funds	14		1,614,088		1,631,202
Restricted funds	15		1,039,243		1,075,178
Unrestricted funds	16		310,239		321,363
			<u><u>2,963,570</u></u>		<u><u>3,027,743</u></u>

Included in the fund balances above are revaluation reserves of £196,005 in Endowment funds and £129,543 in Restricted funds.

The notes on pages 11 to 25 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 25 March 2020 and were signed on its behalf by:



Revd A P J Towner
Chairman

Company No. 213142

Church Society

Notes to the financial statements For the year ended 31 December 2019

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.

SORP Update Bulletin 1 has been applied in regards to the exemption of a cash flow statement.

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

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

1.2 Classification of funds

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

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

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

Tangible assets are recorded at cost less depreciation and any impairment.

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

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

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

1.4 Investments

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

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

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

Church Society

Notes to the financial statements For the year ended 31 December 2019

1.5 Investment Properties

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

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

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

1.6 Stocks

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

1.7 Debtors

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

1.8 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, this is when it is probable the income will be received and the amount of income receivable can be reliably measured.

Investment income

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

Charitable activities and other trading activities

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

1.11 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.

Church Society

Notes to the financial statements For the year ended 31 December 2019

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.

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.

2. Investment Income

	2019	2018
	£	£
Investment properties	76,039	68,279
Common investment funds	29,069	27,492
Cash deposits	<u>724</u>	<u>694</u>
	<u>105,832</u>	<u>96,465</u>

3. Grants Paid

	2019	2018
	£	£
General Funds		
Grant to Church of England Evangelical Council	<u>750</u>	-
Amalgamated Ordination and Training Fund		
Scholarships	2,750	5,230
Book grants	<u>500</u>	<u>499</u>
	3,250	5,729
Dusseldorf		
Grant to Christ Church	<u>-</u>	<u>500</u>
Gloucester Mariners Housing Fund		
Contribution to Gloucester Mariners Church	<u>20,000</u>	-
Maidstone St Faith Parish Room		
Contribution to St Faith's, Maidstone	<u>250</u>	<u>250</u>
Paddock Wood Parochial Hall Trust		
Contribution to Paddock Wood Church	<u>23,446</u>	<u>22,773</u>
	<u>47,696</u>	<u>29,252</u>

Church Society
Notes to the financial statements
For the year ended 31 December 2019

4 Transfer of restricted funds

During the year Church Society applies a management fee policy to the funds which are generating a sufficient level of income. This contributes towards the administration costs of the funds. In addition, where Church Society is carrying out work along the same purpose of the funds a transfer may be approved by the Finance Committee.

5 Operating leases

	2019	2018
	£	£
The charity is committed to the following payments under operating leases:		
Not later than one year	4,374	14,050
Later than one year and not later than five years	-	5,072
	<u>4,374</u>	<u>19,122</u>
Lease payments charged to expenditure in the year	<u>13,020</u>	<u>14,975</u>

6 Charitable activities

	Staff costs	Depreciation	Other costs	Total	Total
	£	£	£	2019	2018
				£	£
Grant funding of activities	-	-	47,696	47,696	29,252
Activities undertaken directly	59,788	2,581	116,224	178,593	168,142
Support costs	29,661	-	15,566	45,227	43,002
	<u>89,449</u>	<u>2,581</u>	<u>179,486</u>	<u>271,516</u>	<u>240,396</u>

Other costs - Activities undertaken directly

	2019	2018
	£	£
Establishment and property	24,958	30,601
Publications	31,815	28,744
Meetings and conferences	10,346	12,555
Professional and management fees	-	-
Other staff costs	42,223	25,990
Miscellaneous	6,882	5,831
	<u>116,224</u>	<u>103,721</u>

Other costs - Support costs

	2019	2018
	£	£
Professional and management fees	6,942	540
Governance costs	-	-
Meetings and conferences	4,050	9,244
Auditors' remuneration – audit services	4,574	4,560
	<u>15,566</u>	<u>14,344</u>

Staff costs

	2019	2018
	£	£
Wages and salaries	85,615	81,002
Social security costs	3,954	2,779
Pension costs (see note 22)	(120)	6,417
	<u>89,449</u>	<u>90,198</u>

The average number of persons employed by the charitable company during the year was 5 (2018: 4). No employee earned more than £60,000.

Church Society
Notes to the financial statements
For the year ended 31 December 2019

7 Trustee remuneration and related party transactions

Council Members receive no remuneration for their services. Their travelling expenses are reimbursed in respect of expenses incurred on either Church Society or Church Society Trust business. In the year ended 31 December 2019, 14 Council Members claimed reimbursement of travelling expenses totalling £3,028 (2018: £5,406). The total value of donations without conditions received from trustees was £3,966 (2018: £667).

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

The total employee benefits of the key management personnel of the charity were £66,704 (2018: £84,050).

8 Tangible fixed assets

	<i>Freehold property – held for charitable purposes</i>	<i>Fixtures fittings and equipment</i>	<i>Total</i>
	£	£	£
Cost or valuation			
As at 1 January 2019	7,000	12,851	19,851
Additions	707,482	-	707,482
Disposals	-	-	-
Revaluation	(77,284)	-	(77,284)
As at 31 December 2019	<u>637,198</u>	<u>12,851</u>	<u>650,049</u>
Accumulated depreciation			
As at 1 January 2019	-	9,247	9,247
Provision for the year	-	2,581	2,581
Eliminated on disposals	-	-	-
As at 31 December 2019	<u>-</u>	<u>11,828</u>	<u>11,828</u>
Net book value			
As at 31 December 2019	<u>637,198</u>	<u>1,023</u>	<u>638,221</u>
As at 31 December 2018	<u>7,000</u>	<u>3,604</u>	<u>10,604</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

Pentwyn Hall, Walthamstow

Old Hill Hall

Church Society
Notes to the financial statements
For the year ended 31 December 2019

9 Fixed asset investments	<i>Freehold property – Commercial Road, Paddock Wood</i>	<i>Flat in Trevithick House</i>	<i>Flat in Lulworth House</i>	<i>Stourbridge Grove House</i>	<i>Cranmer House</i>	<i>Listed Investments</i>	<i>Total</i>
	£	£	£	£		£	£
Cost or valuation							
Valuation at 1 January 2019	25,000	330,000	375,000	475,000	-	896,968	2,101,968
Additions	-	-	-	-	106,428	125,500	231,928
Disposals	-	-	-	-	-	-	-
Revaluation	-	(5,000)	(25,000)	(25,000)	(11,626)	83,877	17,251
Market valuation at 31 December 2019	<u>25,000</u>	<u>325,000</u>	<u>350,000</u>	<u>450,000</u>	<u>94,802</u>	<u>1,106,345</u>	<u>2,351,147</u>
Historic cost	<u>-</u>	<u>193,560</u>	<u>234,553</u>	<u>473,327</u>	<u>106,428</u>	<u>990,569</u>	<u>1,998,437</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 £330,000 at the beginning of the year has decreased based on a professional valuation obtained through letting agents as at 31 December 2019 to £325,000. 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 £375,000 at the beginning of the year has decreased based on a professional valuation obtained through letting agents as at 31 December 2019 to £350,000. 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 Wace Memorial Fund. An additional £41,752 was spent on refurbishment. At the beginning of the year the investment was transferred to the Amalgamated Ordination and Training Fund in return for cash therefore all income and costs are now held within the Amalgamated Ordination and Training Fund. Its valuation of £475,000 at the beginning of the year has decreased based on a professional valuation obtained through letting agents as at 31 December 2019 to £450,000.

Cranmer House was bought in February 2019 at a cost of £813,910 mainly for charitable use. However the attached Annex of the property is being used for investment purposes therefore the costs have been split between Fixed Asset Investments and Tangible Fixed Assets. The purchase was made by the Dean Wace Memorial Fund and General Funds. Its value has decreased based on a professional valuation obtained through letting agents as at 31 December 2019 to £725,000.

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

10 Stocks	2019	2018
	£	£
Publications for resale	<u>7,616</u>	<u>9,742</u>
11 Debtors	2019	2018
	£	£
Prepayments	5,812	14,788
Other debtors	<u>17,361</u>	<u>220,934</u>
	<u>23,173</u>	<u>235,722</u>
12 Creditors: amounts falling due within one year	2019	2018
	£	£
Other creditors	2,204	-
Deferred income	7,802	3,287
Accruals	15,026	11,081
Mortgage liability	<u>8,069</u>	<u>-</u>
	<u>33,101</u>	<u>14,368</u>
13 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Mortgage liability		
Due within 1 - 2 years	8,472	-
Due within 2 - 5 years	27,633	-
Due in more than 5 years	<u>393,831</u>	<u>-</u>
	<u>429,936</u>	<u>-</u>

The mortgage liability is secured by a fixed and floating charge over Cranmer House, which had a carrying value of £725,000 at the balance sheet date. Interest on the bank loan is payable at 4.25%. The mortgage is repayable over the period until February 2049

Church Society
Notes to the financial statements
For the year ended 31 December 2019

14 Movement on Endowment funds	Movement in funds					Movement in funds					
	Balance 31 January 2018	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2018	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2019
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowment funds											
E A Beynon Fund	165,226	-	-	-	(13,869)	151,357	-	-	-	(3,153)	148,204
Birchington Convalescent Benefit Fund	66,070	-	-	-	(4,498)	61,572	-	-	-	4,080	65,652
Brighton Emmanuel	297,778	-	-	-	(30,835)	266,943	-	-	-	(8,362)	258,581
Dean Wace Memorial	845,622	-	-	-	(8,762)	836,860	-	-	-	10,936	847,796
Gloucester Mariners Church	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Leamington Spa, Christchurch	62,545	-	-	-	(3,748)	58,797	-	-	-	1,935	60,732
Maldstone, St Faith Parish Room	197,745	-	-	-	(18,034)	179,711	-	-	-	(4,405)	175,306
Old Hill Hall	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000	-	-	-	-	1,000
	1,637,986	-	-	-	(79,746)	1,558,240	-	-	-	1,031	1,559,271
Expendable endowment funds											
Lightbowne Evangelical Church, Manchester	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Gloucester Mariners Hall	1,000	-	-	-	-	1,000	-	-	-	-	1,000
St Andrews, Montserrat	1,000	-	-	-	-	1,000	-	-	-	-	1,000
Düsseldorf Chaplaincy	2,790	-	(500)	-	-	2,290	-	-	-	(39)	2,251
Gloucester Mariners Residence	44,528	-	-	-	(2,856)	41,672	-	(19,026)	-	920	23,566
Paddock Wood Parochial Church Hall Trust	25,000	-	-	-	-	25,000	-	-	-	-	25,000
Wigan Recreation Ground	1,000	-	-	-	-	1,000	-	(19,026)	-	-	1,000
	76,318	-	(500)	-	(2,856)	72,962	-	(19,026)	-	881	54,817
	1,714,304	-	(500)	-	(82,602)	1,631,202	-	(19,026)	-	1,912	1,614,088

Church Society
Notes to the financial statements
For the year ended 31 December 2019

15 Movement on restricted funds

	Movement in funds					Movement in funds					
	Balance 1 January 2018	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2018	Income	Expenditure	Transfers	Gains/ (losses) on revaluation	Balance 31 December 2019
	£	£	£	£	£	£	£	£	£	£	£
Amalg. Ord. and Training Fund	874,100	12,659	(7,631)	(22,993)	(28,260)	827,875	44,137	(15,992)	(30,420)	(34,042)	791,558
Birchington Convalescent Fund	(144)	1,025	-	(991)	-	(110)	1,058	-	(754)	-	194
Brighton Emmanuel Trust	8,168	12,992	(2,854)	(7,467)	-	10,839	13,744	(3,843)	(7,012)	-	13,728
Düsseldorf	495	-	-	(35)	-	460	-	-	(14)	-	446
Gloucester Mariners Hall	228	-	-	-	-	228	-	-	-	-	228
Gloucester Mariners Residence Fund	994	651	(6)	(668)	-	971	371	(974)	(498)	-	(130)
JAEC	-	3,404	(7,084)	3,680	-	-	3,552	(6,332)	2,780	-	-
Learnington Spa, Christchurch Fund	1,089	854	-	(938)	-	1,005	949	-	(684)	-	1,270
Maldstone, St Faith Parish Room Fund	4,661	8,689	(1,511)	(5,966)	-	5,873	9,161	(2,425)	(5,701)	-	6,908
Paddock Wood Parochial Church Hall Trust Fund	218,525	8,623	(22,773)	(3,365)	(8,622)	192,388	6,792	(23,446)	(3,127)	14,439	187,046
Publications	179	-	-	(179)	-	-	-	-	-	-	-
Ryde Ecclesiastical Charly	26,044	187	-	(399)	(819)	25,013	224	-	(240)	534	25,531
The Priscilla Fund	-	2,498	-	(2,498)	-	-	4,395	-	(4,395)	-	-
Walthamslow, Penrhyn Hall Trust fund	6,300	184	-	(95)	(93)	6,296	190	-	(93)	987	7,380
Walthamslow, St John Fund	4,342	127	-	(65)	(64)	4,340	131	-	(65)	678	5,084
	1,144,981	51,893	(41,859)	(41,979)	(37,858)	1,075,178	84,704	(53,012)	(50,223)	(17,404)	1,039,243

Church Society
Notes to the financial statements
For the year ended 31 December 2019

16 Movement on unrestricted funds

	Movement in funds					<i>Balance 31 December 2019</i>
	<i>Balance 1 January 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Gains/ (losses) on revaluation</i>	
	£	£	£	£	£	
General Fund	313,665	191,074	(221,412)	50,223	(44,542)	289,008
Dean Wace Income	7,698	16,297	(2,764)	-	-	21,231
	<u>321,363</u>	<u>207,371</u>	<u>(224,176)</u>	<u>50,223</u>	<u>(44,542)</u>	<u>310,239</u>

	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>

17 Net assets held by funds

	<i>Balance 31 December 2019</i>			<i>Total funds</i>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	
	£	£	£	
Tangible fixed assets	347,375	-	290,846	638,221
Fixed asset investments	126,236	929,247	1,295,664	2,351,147
Net current assets	272,564	109,996	27,578	410,138
Long Term Liabilities	(429,936)	-	-	(429,936)
Provision for liabilities	(6,000)	-	-	(6,000)
	<u>310,239</u>	<u>1,039,243</u>	<u>1,614,088</u>	<u>2,963,570</u>

	<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>

Church Society
Notes to the financial statements
For the year ended 31 December 2019

18	Net assets held by endowment funds	<i>Tangible Fixed assets</i> £	<i>Fixed Asset Investments</i> £	<i>Net Current assets</i> £	<i>Total</i> £
	Permanent endowment funds				
	E A Beynon Fund	-	148,012	192	148,204
	Birchington Convalescent Benefit Fund	-	65,480	172	65,652
	Brighton Emmanuel	-	258,434	147	258,581
	Dean Wace Memorial	283,846	561,133	2,817	847,796
	Gloucester Mariners Church	1,000	-	-	1,000
	Leamington Spa, Christchurch	-	60,599	133	60,732
	Maidstone, St Faith Parish Room	-	175,046	260	175,306
	Old Hill Hall	1,000	-	-	1,000
	Walthamstow, Penrhyn Hall Trust	1,000	-	-	1,000
		<u>286,846</u>	<u>1,268,704</u>	<u>3,721</u>	<u>1,559,271</u>
	Expendable endowment funds				
	Lightbowne Evangelical Church, Manchester	1,000	-	-	1,000
	Gloucester Mariners Hall	1,000	-	-	1,000
	St Andrews, Montserrat	1,000	-	-	1,000
	Düsseldorf Chaplaincy	-	1,961	290	2,251
	Gloucester Mariners Residence	-	-	23,566	23,566
	Paddock Wood Parochial Church Hall Trust	-	25,000	-	25,000
	Wigan Recreation Ground	1,000	-	-	1,000
		<u>4,000</u>	<u>26,961</u>	<u>23,856</u>	<u>54,817</u>
		<u>290,846</u>	<u>1,295,665</u>	<u>27,577</u>	<u>1,614,088</u>
	Original cost	325,367	1,405,004	27,577	1,757,948
	Revaluations	(34,521)	(109,339)	-	(143,860)
		<u>290,846</u>	<u>1,295,665</u>	<u>27,577</u>	<u>1,614,088</u>

Church Society
Notes to the financial statements
For the year ended 31 December 2019

19	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	-	767,379	24,179	791,558	
	Birchington Convalescent Fund	-	-	194	194	
	Brighton Emmanuel Trust	-	-	13,728	13,728	
	Düsseldorf	-	-	446	446	
	Gloucester, Mariners Hall	-	-	228	228	
	Gloucester Mariners Residence Fund	-	-	(130)	(130)	
	JAEC	-	-	-	-	
	Leamington Spa, Christchurch Fund	-	-	1,270	1,270	
	Maidstone, St Faith Parish Room Fund	-	-	6,908	6,908	
	Paddock Wood Parochial Church Hall Trust Fund	-	140,136	46,910	187,046	
	Priscilla Fund	-	-	-	-	
	Ryde Ecclesiastical Charity	-	11,174	14,357	25,531	
	Walthamstow, Penrhyn Hall Trust fund	-	6,271	1,109	7,380	
	Walthamstow, St John Fund	-	4,287	797	5,084	
		-	929,247	109,996	1,039,243	
	Original cost	-	736,175	109,996	846,171	
	Revaluations	-	193,072	-	193,072	
		-	929,247	109,996	1,039,243	
20	Net assets held by unrestricted funds	<i>Tangible Fixed assets</i>	<i>Fixed Asset Investments</i>	<i>Net Current assets</i>	<i>Long Term Liabilities</i>	<i>Total</i>
		£	£	£		£
	General fund	347,375	126,236	251,333	(435,936)	289,008
	Dean Wace Income	-	-	21,231	-	21,231
		347,375	126,236	272,564	(435,936)	310,239

Church Society

Notes to the financial statements For the year ended 31 December 2019

21. Purpose of funds

Amalgamated Ordination and Training Fund	To assist with and promote the educational and training needs of those persons who are, or are training to become, ministers in the established Church of England who subscribe to the conservative, evangelical tradition.
E A Beynon Fund	For the general purposes of the National Church League which in 1950 merged with Church Association to become Church Society.
Birchington Convalescent Benefit Fund	To make grants to enable poor children and in default of poor children other poor persons to obtain convalescent treatment after illness.
Brighton, Emmanuel Church	To maintain Christian and missionary work on Scriptural Protestant and Evangelical lines so far as practicable in the Brighton and Hove area and subject thereto elsewhere.
Dean Wace Memorial Fund	To provide land and buildings for Church Society and income for the Society's general purposes.
Düsseldorf Chaplaincy	To pay for the expenses of Christ Church, Düsseldorf in relation to both the upkeep of buildings and the employment of staff.
Gloucester Mariners Residence	To provide a residence for the chaplain of the Mariner's Chapel or to provide for the general work of the Mariners Chapel.
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.
Ryde Ecclesiastical Charity	To further the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Ryde.
Walthamstow, Penrhyn Hall Trust	To permit the Penrhyn Hall to be used under the direction and control of the vicar of St. John's Walthamstow so long as it is used consistently with evangelical principles.
Walthamstow, St John	To support any work within the parish of St. John's Walthamstow, either being part of church activities or in support of charities operating within the parish.
Freeholds held on behalf of Churches or other charities.	Lightbourne Evangelical Church, Manchester, Gloucester Mariners Hall, Hollabury Mission Hall Poughill, Cornwall, St Andrews, Montserrat, Old Hill Hall, St Catharine's Recreation Ground, Wigan.

Church Society

Notes to the financial statements For the year ended 31 December 2019

22. 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. Bonuses may also be declared, depending upon the 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 to 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 considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and 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 (2019: £2,059, 2018: £2,062).

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.

(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.

Church Society

Notes to the financial statements For the year ended 31 December 2019

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2019: £6,567, 2018: £6,354), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total credit of £3,433 for 2019 (2018: charge £4,354).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CM2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter⁷ of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

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

As at December 2017 and 31 December 2018, the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at December 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2018 and over 2019 is set out in the table below.

	2019	2018
Balance sheet liability at 1 January	19,000	24,000
Deficit contribution paid	(3,000)	(3,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	(10,000)	(2,000)
Balance sheet liability at 31 December	6,000	19,000

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

Church Society

Notes to the financial statements For the year ended 31 December 2019

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 2019	December 2018	December 2017
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

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

23. Capital commitments and contingent liabilities

The charitable company had no material capital commitments or contingent liabilities at 31 December 2019. (2018: £nil).

24. 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.

25. 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.

26. 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.

27. Black Chapel

The charity became the sole trustee of Black Chapel (charity number 262667) during the year. Consolidated accounts have not been prepared as the combined income of the two charities is below the threshold at which group accounts are required. At the end of the financial year Black Chapel had reserves of £631,297. Its income was £23,009 and expenditure £91,687 resulting in a deficit of £68,678.