Report and Financial Statements

For the year ended 31 December 2014

Church Society
(A company limited by guarantee)

Company No 213142
Charity Registration No 249574

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For the year ended 31 December 2014

20 Capital commitments and contingent liabilities

The charitable company had no material capital commitments or contingent liabilities at 31 December 2014 (2013 £nil)

21 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

22 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

23 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

Financial statements for the year ended 31 December 2014

Council members	Dr K Birkett The Revd R D Brewis (to 14 June 2014) Mr P M Cawson The Revd J A Cheeseman The Revd Dr A V Cinnamond The Revd Dr B Cooper The Revd P Darlington (Chairman) The Revd T M Edwards The Revd R W Farr The Revd G D Firth (from 14 June 2014) Mrs Z E Ham (to 14 June 2014) The Revd C R H Kilgour The Revd R Mackay The Revd P D Myers (to 14 June 2014) The Revd Dr M J Ovey The Revd J P Richardson (to 30 March 2014) Dr A Ruddick (from 14 June 2014) Mrs A Ruoff (from 14 June 2014) The Revd S J Scott The Revd M S Smith The Revd J C Taylor The Revd J A Telford The Revd S J Walton (to 14 June 2014) Dr T A Woolford (from 14 June 2014) The Revd Dr S Watkinson (from 14 June 2014)
Director	The Revd Dr Lee Gatiss
Charity number	249574
Company number	213142
Registered office	Dean Wace House 16 Rosslyn Road Watford WD18 0NY
Auditors	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
Principal address	Dean Wace House 16 Rosslyn Road Watford WD18 0NY

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	Trowers & Hamlins Sceptre Court 40 Tower Hill London EC3N 4DX

Walthamstow St John	To support any work within the parish of St. John s Walthamstow either being part of church activities or in support of charities operating within the parish
Freeholds held on behalf of Churches or other charities	Lightbowne Evangelical Church Manchester Gloucester Manners Hall Hollabury Mission Hall Poughill Cornwall St Andrews Montserrat Southfields Scout Hut, Old Hill Hall St Catharine s Recreation Ground Wigan

19 Pension Schemes

Church Society participates in the Church of England Funded Pensions Scheme and employs one member of the Scheme out of a total membership of approximately 8 400 active members

The Church of England Funded Pensions Scheme is a defined benefit scheme but Church Society is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate A valuation of the Scheme was carried out as at 31 December 2012 This revealed a shortfall of £293m with assets of £896m and a funding target of £1 189m assessed using the following assumptions

- An investment strategy of
  - for investments backing liabilities for pensions in payment, an allocation to gilts increasing linearly from 10% at 31 December 2012 to 2/3 by 31 December 2029 with the balance in return-seeking assets and
  - for investments backing liabilities prior to retirement a 100% allocation to return-seeking assets
- Investment returns of 3 2% pa on gilts and 5 2% pa on equities
- RPI inflation of 3 2% pa (and pension increases consistent with this)
- Increase in pensionable stipends of 3 2% pa, and
- Post-retirement mortality in accordance with 80% of the S1NMA and S1NFA tables with allowance made for improvements in mortality rates from 2003 in line with the CMI 2012 core projections with a long term annual rate of improvement of 1 5% for males and females

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires Church Society to account for pension costs on the basis of contributions actually payable to the Scheme in the year

Following the results of the 2012 valuation Church Society s contribution rate is due to increase from 38 2% to 39 9% of pensionable stipends from 1 January 2015 (of which 14 1% will be in respect of the £293m shortfall in the Scheme and 25 8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme) Contributions rates will be reviewed at the next valuation of the Scheme, due as at 31 December 2015

During the year contributions to the Church of England Funded Pensions Scheme totalled £8 492 (2013 £8 315)

During the year defined contribution pension costs of £1 593 (2013 £1 537) were paid on behalf of 2 (2013 2) employees to the Church of England Defined Contribution Scheme section of the Church Workers Pension Fund

Notes to the financial statements
For the year ended 31 December 2014

18 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 Manners Residence	To provide a residence for the chaplain of the Manner's Chapel or to provide for the general work of the Manners 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	So long as St Faith s Maidstone maintains 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
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
Ryde Ecclesiastical Charity	To further the religious and other charitable work of the Church of England in the Ecclesiastical Parish of Ryde
Toon Fund (The Peter Toon Lecture Fund)	A fund created by an initial donation of £10 000 from Mrs Vita A S Toon, to promote defend expound and apply the Reformed Anglican faith so ably and eloquently proclaimed by the Revd Dr Peter Toon (1939-2009) in particular through the maintenance of the annual Peter Toon Lecture
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

Trustees' and directors' report
For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014

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 113 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
- providing convalescent care or holidays for sick children,
- 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 one half-time member 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 the protestant reformed faith which is the backbone of the Church of England and the established religion of the United Kingdom of supporting individuals parishes and other organisations in similar vein 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 along with other church organisations sympathetic to its views has continued to oppose the planned implementation for women bishops and repeatedly called for adequate provision for those clergy and churches which could not in conscience accept the episcopal oversight of women Through press releases written articles in *Crossway* and *Churchman* personal briefings at Synod and in churches and through representatives on General Synod and in the facilitated discussions set up to discuss the way forward the Society has had some impact and influence on the shape of the legislation It has also lobbied in various ways (press releases social media, written articles correspondence etc) for the appointment of conservative evangelical complementarians as bishops The Director also convened a meeting of around 20 leading complementarian evangelicals along with three members of the Crown Nominations Commission and a former bishop for information training, and encouragement in pursuing the "noble task (1 Tim 3 1 RSV) of Episcopal ministry

Trustees' and directors' report
For the year ended 31 December 2014

The Society has also continued to oppose the liberalisation of sexual and family ethics in both church and nation though lobbying writing, and speaking, to oppose the downgrading of baptismal services through liturgical revision and to promote the financial twinning of evangelical churches so that wealthier churches can support those who are net receivers from dioceses more effectively

A two day conference along with the AGM was held Friday-Saturday June 13th-14th Ashley Null James Taylor Lee Gatiss, Wallace Benn Dick Farr, Dub Gannon and Alison Ruoff all spoke at the conference, which was well attended on the overall topic of "Positively Anglican"

Publishing continues to be a major part of the work of the Society with our regular diet of the quarterly theological journal *Churchman*, our members magazine *Crossway*, the Church Society website, blog, video channel, and social media platforms

The Director has travelled from Cumbria to Düsseldorf over the year, speaking at many churches Diocesan Evangelical Fellowships Gospel Partnerships, training courses and theological colleges throughout the year, raising the profile of the Society across the Church of England He also visited an Anglican theological college in South Africa (at the college s expense), the Southern Baptist Theological Seminary in Kentucky (also at that college s expenses), and gave more than a dozen talks in Ireland for Crosslinks promoting the work and publications of the Society on each occasion increasing our membership and impact He has also played a role in implementing changes in the Church of England Evangelical Council as part of the Council and Implementation Group and in helping the 1990 Group on General Synod recruit and train candidates for the Synod elections in 2015 as well as attending the Affinity Council, a gathering of senior evangelical leaders in Winchester organised by CARE, and a conference for those ministering in non-evangelical parishes

He helped to organise the Junior Anglican Evangelical Conference as well as the ReNew conference in September and spoke at the Fellowship of Word and Spirit Conference in February as well as publishing biblical and theological material in various books, journals, magazines and newspapers including *Credo the Southern Baptist Journal of Theology, Books at a Glance* and *the Church of England Newspaper* His edited volumes for Church Society with Lost Coin Publications, *Distinctive Principles for Anglican Evangelicals* and *Confident & Equipped Facing Today's Challenges in the Church of England* have sold well and been positively reviewed (the former also raising a substantial amount of money for the Bishop Ryle Fund)

Church Society Trust is an associated company holding patronage rights in around 120 parishes and an involvement in the appointment of ministers for four other chapels The concern of the Trust Directors, who meet most months, is to promote gospel ministry The Directors are appointed annually by the Council of Church Society from the members of the Trust Further details are included in the Trust's own Annual Report and Accounts

The Directors of Church Society Trust are the shareholders of the Kirchengrundstücksgesellschaft mbH which owns the buildings and appoints the minister for Christ Church Düsseldorf The Trust is also represented on the Trustees of St John s School in Blackpool The Council appoint the majority of the Trustees of St. James Ryde and the Society hold the buildings on behalf of the Trustees The Council appoint the Trustees of the Luckley Oakfield School Trust and one Council member is also a Governor The Council appoint the majority of the Trustees of the Hollabury Mission Hall (in the parish of Poughill Bude) The Council are required by a High Court Order to approve any annual increase in the remuneration of the Director of the Llewellin Machine Company Ltd of Bristol

A large part of the work of the Society is done by members of the Council the Finance Committee, Church Society Trust and the Churchman Editorial Board who give their time and energy to serving Christ through pursuing the various objectives of the Society Other volunteers assist in such things as gift aid processing, mailings and the compilation of the prayer diary Many other individuals help in other and various ways to assist the work of the Society and Trust

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 (and including donations to the Bishop Ryle Fund which are intended for the general work of the Society) is an unrestricted fund The Beynon and Dean Wace Memorial funds are permanent endowments During 2014 Church Society also benefitted from part of the income of the Maidstone St Faith fund in accordance with the terms of that trust.

It was anticipated that there would be a deficit in 2014 in the working funds, including in the Dean Wace income fund as a result of costs associated with the plans for the development and sale of Dean Wace House Despite the continuing generous response of members during the year to the financial needs of the Society reserves of working funds fell at times to critically low levels An anticipated substantial legacy (figures for which were included in the 2013 accounts)

Notes to the financial statements
For the year ended 31 December 2014

16 Net assets held by restricted funds

	Tangible Fixed assets	*Fixed Asset Invest-ments*	*Net Current assets*	*Total*
	£	£	£	£
Amalgamated Ordination and Training Fund	-	202,402	8 131	210 533
Birchington Convalescent Benefit Fund	-	-	(1 097)	(1 097)
Brighton Emmanuel Trust	-	-	197	197
Düsseldorf	-	-	609	609
Gloucester Manners Hall	-	-	228	228
Gloucester Manners Residence Fund	-	-	459	459
JAEC	-	-	899	899
Leamington Spa, Christchurch	-	-	598	598
Maidstone St Faith Parish Room	-	-	127	127
Paddock Wood Parochial Church Hall Trust	-	-	9 308	9 308
Publications	-	-	124	124
Ryde Ecclesiastical Charity	-	10 580	15 201	25 781
Toon Fund	-	-	9 971	9,971
Walthamstow Penrhyn Hall Trust	-	4 379	649	5,028
Walthamstow St John	-	2,992	465	3 457
	-	220 353	45,869	266 222
Original cost	-	190 911	45,869	236 780
Revaluations	-	29 442	-	29 442
	-	220 353	45 869	266 222

17 Net assets held by unrestricted funds

	Fixed assets	*Invest ments*	*Net Current assets*	*Total*
	£	£	£	£
General fund	-	-	22 419	22 419
Dean Wace Income	-	-	(14 097)	(14 097)
	-	-	8,322	8,322

Notes to the financial statements
For the year ended 31 December 2014

15 Net assets held by endowment funds

	Tangible Fixed assets	Fixed Asset Invest-ments	Net Current assets	Total
	£	£	£	£
Permanent endowment funds				
E A Beynon Fund	-	133 370	4 198	137 568
Birchington Convalescent Benefit Fund	-	58 080	2 945	61 025
Brighton Emmanuel	-	223 066	11 424	234 490
Dean Wace Memorial	981 000	10 580	4 026	995 606
Gloucester Manners Church	1 000	-	-	1 000
Leamington Spa, Christchurch	-	52 724	5,635	58 359
Maidstone St Faith Parish Room	-	156 610	4 763	161 373
Old Hill Hall	1,000	-	-	1 000
Walthamstow Penrhyn Hall Trust	1 000	-	-	1 000
	984 000	634 430	32 991	1 651 421
Expendable endowment funds				
Lightbowne Evangelical Church, Manchester	1 000	-	-	1,000
Gloucester Manners Hall	1,000	-	-	1 000
St Andrews Montserrat	1 000	-	-	1 000
Southfields Scout Hut	1 000	-	-	1 000
Düsseldorf Chaplaincy	-	-	2 790	2 790
Gloucester Manners Residence Fund	-	36 876	4 590	41 466
Paddock Wood Parochial Church Hall Trust	285 000	25,000	-	310 000
Wigan Recreation Ground	1 000	-	-	1,000
	290 000	61 876	7 380	359 256
	1 274 000	696,306	40 371	2 010 677
Original cost	533,625	609 539	40 371	1,183,535
Revaluations	740 375	86 767	-	827 142
	1 274,000	696,306	40 371	2 010 677

Trustees' and directors' report
For the year ended 31 December 2014

was not received until towards the end of 2014 and then only in part However a short term loan against the legacy had been secured during the year The agreed sale of Dean Wace House will provide proceeds that can be invested to produce longer-term income to the General Fund In addition the Charity Commission has agreed part of the proceeds can be used for the general purposes rather than be treated as endowment. The sale of Dean Wace House should therefore secure the longer-term financial future of the Society and enable it fully maintain its activities

Council policy is to maintain a level of working reserves sufficient for three years operations ahead which has not been possible in recent times However the ability to retain and apply part of the proceeds of sale of Dean Wace House for general purposes will substantially improve the position in this regard

Investment income both to the working and the managed funds has been helped by rentals from two investment properties in south London the first acquired in 2010 and the second in 2012

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 20 and 21 of the accounts including of two new restricted funds set up in 2014 the JAEC fund and the Toon fund Several funds consist solely of freehold properties including churches, houses or halls Because many of these are long-standing funds there are often issues that arise 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 11

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 invested funds mainly with Ruffer LLP 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

Statement of trustees'/directors' responsibilities

The trustees (who are also the directors of Church Society Trust 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 the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

Trustees' and directors' report
For the year ended 31 December 2014

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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

Paul Darlington

Revd P Darlington
Trustee
19 May 2015

Notes to the financial statements
For the year ended 31 December 2014

12 Movement on restricted funds

	Balance 1 January 2014	Incoming resources	Resources expended	Transfers	Gains/ (losses)	Balance 31 December 2014
		Movement in funds				
	£	£	£			£
Amalg Ord and Training Fund	191 496	11,458	(3,820)	(7 029)	18,428	210 533
Birchington Convalescent Benefit	(942)	691	-	(846)	-	(1 097)
Brighton Emmanuel Trust	(1 486)	11 992	(3 855)	(6 454)	-	197
Düsseldorf	(1 355)	129	(129)	1 964	-	609
Gloucester Manners Hall	228	-	-	-	-	228
Gloucester Manners Residence	4,197	480	(6 034)	1 816	-	459
JAEC	-	5 125	(4,226)	-	-	899
Leamington Spa Christchurch	821	623	-	(846)	-	598
Maidstone St Faith Parish Room	(623)	7 978	(2 536)	(4 692)	-	127
Paddock Wood Parochial Church	9,741	203	(492)	(144)	-	9 308
Publications	123	1	-	-	-	124
Ryde Ecclesiastical Charity	25 683	130	(193)	(378)	539	25,781
Toon Fund	-	10,000	(29)	-	-	9 971
Walthamstow Penrhyn Hall Trust	4 706	171	(15)	(54)	220	5 028
Walthamstow, St John	6 163	216	(3,015)	(90)	183	3,457
	238 752	49 197	(24,344)	(16 753)	19 370	266,222

13 Movement on unrestricted

	Balance 1 January 2014	Incoming resources	Resources expended	Transfers	Gains/ (losses)	Balance 31 December 2014
		Movement in funds				
	£	£	£	£	£	£
General Fund	37 924	123 436	(160 194)	21 253		22 419
Dean Wace Income	182	126	(14,405)	-	-	(14 097)
	38 106	123,562	(174 599)	21 253	-	8 322

14 Net assets held by funds

	Un restricted funds	Restricted funds	Endowment funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	1 274,000	1 274 000
Fixed asset investments	-	220 353	696 306	916 659
Current assets	40 943	45,919	40 371	127 233
Current liabilities	(32 621)	(50)	-	(32 671)
	8 322	266 222	2 010 677	2,285 221

Notes to the financial statements
For the year ended 31 December 2014

11 Endowment funds

	Balance 1 January 2014 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance 31 December 2014 £
		Movement in funds				
Permanent endowment funds						
E A Beynon Fund	120 287	-	-	-	17,281	137,568
Birchington Convalescent Benefit	58 070	-	-	-	2 955	61,025
Brighton Emmanuel	215,177	-	-	-	19 313	234 490
Dean Wace Memorial	689 067	-	-	-	306 539	995 606
Gloucester Manners Church	1,000	-	-	-	-	1 000
Leamington Spa, Christchurch	55,676	-	-	-	2 683	58 359
Maidstone St Faith Parish Room	143 530	-	-	-	17 843	161,373
Old Hill Hall	1,000	-	-	-	-	1 000
Walthamstow, Penrhyn Hall Trust	1,000	-	-	-	-	1,000
	1 284 807	-	-	-	366 614	1 651 421
Expendable endowment funds						
Lightbowne Evangelical Church	1,000	-	-	-	-	1 000
Gloucester Manners Hall	1,000	-	-	-	-	1 000
St Andrews, Montserrat	1 000	-	-	-	-	1,000
Southfields Scout Hut	1 000	-	-	-	-	1,000
Düsseldorf Chaplaincy	4,790	-		(2,000)	-	2,790
Gloucester Manners Residence	42 090	-	-	(2 500)	1,876	41 466
Paddock Wood Parochial Church	310 000	-	-	-	-	310 000
Wigan Recreation Ground	1,000	-	-	-	-	1,000
	361 880	-	-	(4 500)	1,876	359 256
	1 646 687	-	-	(4 500)	368 490	2 010 677

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

We have audited the financial statements of Church Society for the year ended 31 December 2014 which comprise the Statement of Financial Activities the Summary Income and Expenditure Account the Balance Sheet, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)
This report is made solely to the charitable company s members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 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 auditor's report and for no other purpose To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company and to its members as a body for our audit work for this report or for the opinions we have formed

Respective responsibilities of trustees and auditor
As explained more fully in the Trustees Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board s Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements In addition we read all the financial and non-financial information in the Trustees' and Directors Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
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 2014 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where 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 directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report and from preparing a Strategic Report

Richard Haffenden MA(Cantab) FCA
Senior Statutory Auditor
For and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW
21 May 2015

Statement of financial activities
For the year ended 31 December 2014

	Notes	Un-restricted funds £	Restricted funds £	Endow-ment funds £	2014 Total £	2013 Total £
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations		79 635	12,037	-	91 672	59 452
Legacies		5 131	-	-	5 131	27 185
Activities for generating funds						
Rent receivable		-	200	-	200	150
Fee and other income		590	-	-	590	623
Investment income						
Investment income	2	21,571	33,699	-	55 270	53 149
		106 927	45 936	-	152 863	140,559
Incoming resources from charitable activities						
Subscriptions, publications and conferences		16 635	3 261	-	19 896	14 215
Total incoming resources		123 562	49 197	-	172 759	154,774
Resources expended						
Costs of generating funds						
Fundraising and publicity		15 300	-	-	15 300	14 364
Rental property costs		-	4 135	-	4,135	14 386
Charitable activities						
Grant funding of activities	3	-	15 573		15 573	67 090
Activities undertaken directly		133 551	1 048	-	134,599	112 896
Governance costs		25,748	3 588	-	29 336	28 288
Total resources expended	4	174,599	24 344	-	198 943	237 024
Net incoming/(outgoing) resources before transfers		(51 037)	24 853	-	(26 184)	(82 250)
Transfers between funds		9 967	(5 467)	(4 500)	-	-
Transfer fund management fees		11 286	(11 286)	-	-	-
Net incoming/(outgoing) resources for the year		(29 784)	8 100	(4,500)	(26,184)	(82 250)
Other recognised gains (losses) and transfers						
Investments - unrealised gains/(loses)		-	19,339	62,490	81 829	1 511
Investments – realised gains/(losses)		-	31	-	31	-
Fixed assets - unrealised gains/(losses)		-	-	306,000	306 000	-
Net movement in funds		(29,784)	27,470	363,990	361,676	(80,739)
Reconciliation of funds						
Balance at 1 January 2013		38,106	238 752	1 646 687	1,923 545	2 004,284
Net movement in funds		(29 784)	27 470	363 990	361 676	(80,739)
Balances carried forward at 31 December 2014		8,322	266,222	2,010,677	2,285,221	1 923,545

The notes on pages 9 to 21 form part of these financial statements

All operations are continuing operations

Notes to the financial statements
For the year ended 31 December 2014

8 Stocks

	2014 £	2013 £
Publications for resale	5 993	4 670

9 Debtors

	2014 £	2013 £
Prepayments	1 197	613
Other debtors	16 364	28 276
	17 561	28 889

10 Creditors amounts falling due within one year

	2014 £	2013 £
Other creditors	26 267	1 280
Deferred income	1 180	2 185
Accruals	5 224	5 810
	32 671	9 275

The loan of £25 000 from the Latimer Trust included within other creditors is secured against the legacy to be received in respect of Sheila Margaret Eaton

Notes to the financial statements
For the year ended 31 December 2014

7 Fixed asset Investments

	Freehold property – Commercial Road, Paddock Wood	*Flat in Trevithick House*	*Flat in Lulworth House*	*Listed Investments*	*Total*
	£	£	£	£	£
Cost or valuation					
Valuation at 1 January 2014	25 000	247 500	295 000	89 800	657 300
Additions	-	-	-	180 000	180,000
Disposals				(2,500)	(2,500)
Revaluation	-	62 500	5 000	14 359	81 859
Market valuation at 31 December 2014	25 000	310 000	300 000	281 659	916 659
Historic cost	-	193,560	234,553	265 069	693 182

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 2014 by the directors to £25 000

The flat in Trevithick house was bought in 2010 at a cost of £193 560 as a joint investment between four funds Value increased as at 31 December 2014 by the directors to £310 500 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 Value increased as at 31 December 2014 by the directors to £300 000 All costs and income are shared proportionally to the amount invested from each fund The flat is leasehold property

Listed investments are investments placed with Ruffer LLP and CCLA Investment Management Limited - The CBF Church of England Investment Fund

Income and expenditure acount
For the year ended 31 December 2014

	2014	*2013*
Income	£	£
Total income of continuing operations	172,759	154,774
Expenditure		
Total expenditure of continuing operations	198 943	237 024
Net expenditure for the year before transfers and investment asset	(26,184)	(82,250)
Transfer from endowment fund	-	-
Net expenditure for the year before investment asset disposals	(26,184)	(82,250)
Surplus/(deficit) on disposal of investment assets	31	-
Net expenditure for the year	(26 153)	(82 250)

Statement of total recognised gains and losses

	2014	*2013*
	£	£
Net expenditure for the year	(26 153)	(82 250)
Unrealised gains on revaluation of investments	81 829	1 511
Unrealised gain on revaluation of assets	306 000	-
Total recognised (losses)/gains relating to the year	361 676	(80 739)

The results for the above financial years as set out have been derived entirely from continuing operations

Balance Sheet
As at 31 December 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible fixed assets	6		1 274 000		968,000
Fixed asset investments	7		916 659		657 300
			2 190 659		1 625 300
Current assets					
Stocks	8	5 993		4 670	
Debtors	9	17 561		28 889	
Bank and short term deposits		103 679		273 961	
		127 233		307 520	
Creditors amounts falling due within one year	10	(32 671)		(9 275)	
Net current assets			94 562		298 245
Total assets less current liabilities			2 285,221		1 923 545
Funds					
Endowment funds	11 15		2 010 677		1 646,687
Restricted funds	12 16		266 222		238 752
Unrestricted funds	13 17		8 322		38 106
			2 285,221		1 923 545

Included in the fund balances above are revaluation reserves of £827 143 in Endowment funds and £29 442 in Restricted funds

The notes on pages 9 to 21 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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on19 May 2015 and were signed on its behalf by

Paul Darlington

Revd P T Darlington
Chairman

Revd D Farr
Trustee

Company No 213142

Notes to the financial statements
For the year ended 31 December 2014

6 Tangible fixed assets

	Freehold property – for the charity's own use £	Freehold property – held for charitable purposes £	Fixtures fittings and equipment £	Total £
Cost or valuation				
As at 1 January 2014	675 000	293 000	19 147	987 147
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	306 000	-	-	306 000
As at 31 December 2014	981 000	293 000	19,147	1 293 147
Accumulated depreciation				
As at 1 January 2014	-	-	19 147	19 147
Provision for the year	-	-	-	-
Eliminated on disposals	-	-	-	-
As at 31 December 2014	-	-	19 147	19 147
Net book value				
As at 31 December 2014	981 000	293,000	-	1,274 000
As at 31 December 2013	675 000	293 000	-	968 000

Freehold property – for the charity's own use
Dean Wace House Watford – valued in November 1999 by Rumball Sedgwick Chartered Surveyors at a value of £350 000 (historic cost plus cost of improvements £375 892) Value updated as at 31 December 2012 by Fenton Associates Chartered Surveyors at £675 000 Confirmed sales value in December 2014 at £981 000

Freehold property – held for charitable purposes
Ashcroft Road Paddock Wood – valued in 1996 by Ecclesiastical Insurance Group at £80 000 (historic cost £12 561) Value updated as at 31 December 2014 by Fenton Associates Chartered Surveyors to £285 000

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 Manners Hall
St Andrews Montserrat
Southfields Scout Hut
Wigan St Catharine Recreation Ground

Not inalienable – permanent endowment
Gloucester Manners Church

Inalienable – permanent endowment
Penrhyn Hall Walthamstow
Old Hill Hall

4 **Total resources expended**

	Distributions and grants	Staff costs	Depreciation	Other costs	Total 2014	Total 2013
	£	£	£	£	£	£
Fundraising and publicity	-	-	-	15,300	15 300	28,750
Activities undertaken directly	15 573	54 803	-	83 931	154 307	179 986
Governance costs	-	14 694	-	14 642	29 336	28 288
	15,573	69,497	-	113,873	198,943	237,024

Other costs

	2014	2013
	£	£
Fundraising and publicity	15 300	14 364
Rental property costs	4 135	14 386
Establishment and property	29 891	12,303
Publications	22 161	17 817
Meetings and conferences	11 145	8 404
Other staff costs	20,966	21,229
Professional and management fees	2 830	1 272
Auditors remuneration – audit services	3 855	3 870
Miscellaneous	3 590	5 251
	113 873	98 896

Staff costs

	2014	2013
	£	£
Wages and salaries	56 835	56,351
Social security costs	2 577	4 613
Pension costs (see note 20)	10 085	9 852
	69 497	70 816

The average number of persons employed by the charitable company during the year was 2 5 (2013 2 5) No employee earned more than £60 000

5 **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 2014 16 Council Members claimed reimbursement of travelling expenses totalling £3 571 (2013 £5 137)

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.

Robin Ham the husband of Zoe Ham a Council member was a recipient of a £500 grant from the Amalgamated Ordination and Training Fund for advanced theological training

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 historical cost convention (as modified by the revaluation of certain fixed assets), and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities

1 2 **Classification of funds**

Permanent endowments represents 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

Inalienable fixed and investment fixed assets are not depreciated

1 4 **Investments**

Investments are included at market 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**

In accordance with SSAP 19

i investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and

ii no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investments with over 20 years to run

The Directors consider that this accounting policy results in the accounts giving a true and fair view Depreciation is only one of many factors reflected in the annual valuation and the amount, which might otherwise be shown cannot be separately identified or quantified

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 **Incoming resources and resources expended**

Income and expenditure is accounted for on the accruals basis Direct charitable expenditure comprises all expenditure directly relating to the charitable objectives Fundraising and publicity costs and governance costs include a proportion of the salaries of staff engaged in those activities and an apportionment of property costs Legacies are included in the accounts when the amount due is measurable and receipt is reasonably certain

1 8 **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 9 **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 10 **Grants**

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

1 11 **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 **Taxation**

The charity is exempt from corporation tax on its charitable activities

2 **Investment Income**

	2014	*2013*
	£	£
Investment properties	51 983	51 992
Common investment funds	3 232	830
Cash deposits	55	327
	55 270	53,149

3 **Grants paid**

	2014	
	£	£
Amalgamated Ordination and Training Fund		
Scholarships	1 750	
Book grants	529	
		2,279
Brighton Emmanuel Church		
Grants to churches	2 000	
		2 000
Dusseldorf		
Grant to Christ Church	129	
		129
Gloucester Mariners Housing Fund		
Expenses in relation to chaplain	6 000	
		6 000
Maidstone St Faith Parish Room		
Contribution to St Faith s Maidstone	1 450	
		1 450
Paddock Wood Parochial Hall Trust		
Costs of Ashcroft Road property	492	
		492
Ryde Ecclesiastical Charity		
Costs of Ryde Trustees	193	
		193
Walthamstow Penrhyn Hall		
Costs of Walthamstow Trustees	15	
		15
Walthamstow St John's		
Grant to St John s	3 000	
Costs of Walthamstow Trustees	15	
		3,015
		15,573
2013 comparative		67,090