

ADDITIONAL CURATES SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021

Company Registration Number 262795
Registered Charity Number 209448



MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

Council and Trustees/Directors: The Revd Prebendary David Houlding (Chairman)
Mrs Mary Speight (Vice Chairman)
The Right Revd Anthony Robinson
The Venerable Ian Chandler
The Revd Canon Steven Kirk
The Revd Canon Kit Dunkley
The Revd Damian Feeney
The Revd Grant Naylor
Mrs Alexandra Buckingham
Mr Andrew Roberts
Deacon Sarah Gillard-Faulkner
The Revd Giles Orton

General Secretary: The Revd Canon Darren Smith

Registered Office: 16 Commercial Street
Birmingham
B1 1RS

Bankers: Bank of Scotland plc
55 Temple Row
Birmingham
B2 5LS

Investment Managers: M&G Charities
PO Box 9038
Chelmsford
CM99 2XF

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Independent Examiner: Nicholas Simkins FCA
The Dower House
Bonehill
Staffordshire
B78 3HX

COUNCIL'S AND TRUSTEES' REPORT (Continued)

For the year ended 30 September 2021

The Council/Trustees present their annual report and financial statements for the year ended 30 September 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was constituted as a company limited by guarantee on 19 February 1932, and is therefore governed by a Memorandum and Articles of Association, and became a registered charity on 8 May 1963.

The Charity is organised so that the Council meet regularly to manage its affairs, to determine future actions and policies that should be pursued to the benefit of the Charity, and to consider applications for grants and to determine the level of grants payable.

All Council members of the company are also Trustees of the Charity, and there are no other Trustees.

The Council members/Trustees who were in office in the year are as listed on page 1.

A quarter of the Council members/Trustees retire by rotation each year at the Annual General Meeting, with the members of the Council appointing or re-electing the Council members/Trustees. Where a casual vacancy arises during the year, the members may appoint a person to fill that position until the next Annual General Meeting, where the person will be eligible for re-election.

Potential new Council members are identified and approached by the Council. Their selection is based on their geographical position to ensure that the Council is representative of all regions, and for their technical expertise. Potential Council members are selected from various individuals who support the Society and its objectives. If the potential new member chooses to accept the offer, they will be nominated for membership at a Council meeting.

Before the new member attends their first Council meeting, they will be given a briefing on the history and objectives of the Society and a tour of the offices by the General Secretary.

The Council continues to keep a watchful eye on the possible risks which could affect the Society. The Council has monitored the review of the various business and operational activities of the Society and systems continue to be in place to ensure that these risks are kept to a minimum.

OBJECTIVES AND ACTIVITIES

The Society's objects and its principal activity continues to be that of providing support, or assisting in the support of clergy in poor and populous parishes and to make annual grants of money towards the maintenance of additional clergy in those parishes in need of such assistance. As part of its vocational work, the Society also makes grants available for parish placements and arranges a vocations conference. There were no changes to these activities in the year.

The Council constantly reviews the conditions under which it makes grants. The one primary concern is that grants are made to 'parishes in poor and populous areas'. That is why a parish's Statements of Account are examined very carefully before any decision is made about awarding a grant. However, the Church has, in recent years seen a decline in the number of curates being ordained. Therefore, the Society's policy reflects the fact that larger grants have been given to fewer parishes instead of modest grants to a large number of parishes.

The General Secretary and some other members of the Council often visit parishes which support the Society, to preach about the work of the Society in order to raise awareness and attempt to increase donation and legacy income.

Raising awareness and attempting to generate further funds for the purpose of the Society is also done by parish secretaries from supporting parishes on a voluntary basis.

PUBLIC BENEFIT

The Trustees confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit, including the guidance on public benefit: running a charity (PB2) and the Charity's objectives and activities as noted above are considered to be for public benefit.

COUNCIL'S AND TRUSTEES' REPORT (Continued)

For the year ended 30 September 2021

ACHIEVEMENTS AND PERFORMANCE

The Society has paid out a total of £58,960 (2020 - £56,457) as grants, bursaries and vocation payments relating to the objects of the Society of providing support for, and maintenance of clergy. Donations received amounted to £175,193 (2020 - £170,059) and legacies of 54,643 were received (2020 – nil).

The net incoming resources for the year amounted to £215,101 (2020 - £168,618), but after net realised and unrealised gains on investments of £630,371 (2020 – £228,304 losses), a revaluation surplus on the freehold property of £372,094 (2020 - £nil) and actuarial loss on pension deficit of £nil (2020 - £1,000 deficit), the final net movement in funds for the year resulted in a surplus of £1,217,566 (2020 - £60,686 deficit). The net movement in funds is as a result of a restricted funds deficit of £20,000 and an unrestricted fund surplus of £1,237,566

The Trustees are seeking to address the alarming rate of parish vacancies due primarily to the age profiling of the existing clergy and the expected rate of clergy retirement over the next 10 years. It was decided to put significant resources into our vocations work which has been headed “Here I Am” and consists of an annual residential conference, regional day conferences and individual placements and support.

The expenditure on the vocation activities was £924 (2020 - £147).

The Society continues to support individual parishes with the on-going expenditure connected with Assistant Curates and provides grants that assist with working and housing expenses. In 2021 there were 15 parishes in receipt of these grants (17 in 2020). Although in some cases these are relatively small amounts of money, but in the cases of the parishes involved these grants make a significant contribution to their overall budget and in some cases the difference between having and not having a curate.

As the Church faces the other challenge of a decline in overall church attendance and a drop in income, more and more dioceses are choosing to reduce the number of stipendiary clergy and reclassifying parishes to part-time and House for Duty roles. The Trustees have chosen over a number of years to pioneer a number of parishes where they can see particular merit in continuing the presence of a full-time minister. These parishes are partly identified by the way in which they fit into the ACS's investment criteria (small and populous parishes in England and Wales). Over the year last few years what the Society has discovered is that this significant investment on our part usually leads to the re-establishment of full-time ministry paid for by the diocese once our grant is completed. Last year the number of individuals receiving stipendiary support amounted to 4 and in the period covered by these accounts amounting to £27,500 previously we supported 5 parishes amounting to £47,500.

A concerted effort was made to try and contact parishes leading up to Lent. This is the most significant period in the church's year where parishes support the Society, although quite a time consuming exercise it certainly seems to have borne fruit, with the level of donations received encouraging, especially considering the challenging times we have seen recently.

The Society's investment portfolio generated a return on investment of 3.05 % (2020 – 3.67%) and showed a net gain of £630,371 (2020 – £228,304 loss) in market movement during the year.

The Trustees believe that the main emphasis of the Society should be concentrated on the encouragement of vocations within the Catholic constituency and will be considering ways in which this work will be expanded in the future so to ensure a regular supply of Catholic Ordinands.

FINANCIAL REVIEW

The Society maintains its unrestricted reserves at a sufficient level for it to meet the management, administration and support costs, and for the making of charitable grants. The Council will ensure that the level maintained is sufficient for the Society's current needs, and any funds not immediately required will then be invested in accordance with the Council's investment powers.

The Council has the power to invest the money of the Society which is not immediately required for its charitable purposes in investments, securities or property. All investment dealings are made in conjunction with professional advice from the Society's Investment Managers, CCLA and M&G.

COUNCIL'S AND TRUSTEES' REPORT (Continued)

For the year ended 30 September 2021

The Society's investments are held in order to achieve capital growth in a moderate risk portfolio, with any additional investment income being used for the objects of the Society.

The principal funding source of the Society is the income received from donations. The expenditure on grants and vocation payments will vary and be dependent on the level of income in the year. The Society aims to grant as much of the incoming funds as possible whilst covering costs for the running of the Society.

Key management personnel are considered to be the general secretary. The total emoluments paid to key management personnel in 2021 including pension contributions was £49,962 (2020: £46,472).

IMPACT OF COVID-19

The COVID-19 crisis, which began in February 2020, before a total lockdowns in 2020 and 2021, has had a significant impact on the work of the Charity but also on the wider religious community. Restrictions and social distancing rules resulted in the cancellation of the vocations' conference and church closures have resulted in a delay for those offering themselves for ordination.

As a result of the pandemic, we are predicting a reduction in the number of vocations in the medium to long term and the Dioceses are reviewing their financial position which may affect the viability of future posts. This could result in parishes seeking larger grants and the increase in demand for the Society's services.

The Society has received financial support through the Coronavirus Job Retention Scheme (Furlough scheme), with funding of £48,812 in the year to 30 September 2021. Additional funding has also been received from Birmingham City Council with a Discretionary Grant amounting to £738 in the year to 30 September 2021.

At the date of signing the annual report and financial statements it is not yet clear what impact future impact COVID-19 will have on the Society, but the Trustees are regularly monitoring all areas of the Society's operations, services, fundraising and income and expenditure.

GOING CONCERN

The Trustees are satisfied that the Society is a going concern for the next 12 months. This conclusion has been drawn following assessment of the financial performance in 2021 and the level of financial reserves at the year end and they are confident that the Society has enough resources to continue its operations at least for the next 12 months.

The economic effect of the COVID-19 pandemic was reflected in the market value of investments in the last two years. The market value of investments has recovered to £4.6m as at 30 September 2021 compared with £3.9m twelve months earlier.

The Trustees consider that the level and nature of the financial reserves at 30 September 2021 and up to the date of signing the annual report and financial statements, does not impact upon the assumption that the organisation is a going concern.

PLANS FOR FUTURE PERIODS

In the future, the Society plans to continue in its current work and maintain the levels of grants that are being made. There are to be no changes to the objectives of the Society in the near future.

COUNCIL'S AND TRUSTEES' REPORT (Continued)

For the year ended 30 September 2021

KEY RISKS

The Council actively and regularly reviews the major risks to which the charity is exposed and has implemented procedures designed to minimise any potential impact should any of those risks materialise.

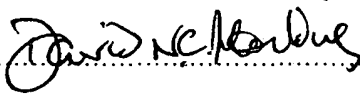
The main areas of risk identified by the Council are:

- Post BREXIT impact – uncertainty still surrounds the impact of the UK leaving the EU will have on the economy within the UK and consumer spending constraints which may affect donations going forward;
- Decline in church attendance could also affect donations going forward;
- Decline in the take up of vocations
- Covid-19 – uncertainty around the on going impact the pandemic and lockdown restrictions will have on donations and the ability to achieve charitable aims and objectives going forward.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2019) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Council 17th March 2022 and signed on its behalf by:

.....


The Revd Prebendary David Houlding (Chairman)

STATEMENT OF TRUSTEES RESPONSIBILITIES

For the year ended 30 September 2021

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

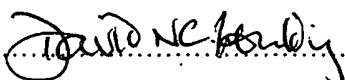
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities 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 charity will continue in business.

The trustees are responsible for keeping proper and adequate accounting records that 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees on 17 March 2022 and signed on its behalf by:

.....

The Revd Prebendary David Houlding (Chairman)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ADDITIONAL CURATES SOCIETY
For the year ended 30 September 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ADDITIONAL CURATES SOCIETY

I report to the charity's Trustees on my examination of the accounts of the company for the year ended 30 September 2021

Responsibilities and basis for report

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

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

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales. I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

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

The Trustees have disclosed the impact of COVID-19 on the Charity and have taken all necessary action to identify the future risks associated with the operation of the Charity. The Trustees have assessed that the current and future financial position does not impact upon the assumption that the Charity is a going concern.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Nicholas Hinkins FCA (ICAEW)

17 March 2022

The Dover House
Benehill
Staffordshire
B78 5HX

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

For the year ended 30 September 2021

| SOFA FOR 2021 | Note | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2021 £ | Total Funds 2020 £ |
|---|-------------|-------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Voluntary Income: | | | | | |
| Donations | | 12,000 | 163,193 | 175,193 | 170,059 |
| Legacies | | - | 54,643 | 54,643 | - |
| Other | | - | 25,445 | 25,445 | 14,775 |
| Activities to Generate Funds: | | | | | |
| Turnover from trading activities | | - | 92,154 | 92,154 | 95,864 |
| Investment Income | | - | 143,035 | 143,035 | 142,581 |
| Bank Interest Received | | - | 284 | 284 | 381 |
| Other | | - | 49,602 | 49,602 | 39,353 |
| Total Incoming Resources | | <u>12,000</u> | <u>528,356</u> | <u>540,356</u> | <u>463,013</u> |
| EXPENDITURE ON: | | | | | |
| Costs of generating funds: | | | | | |
| Costs of generating voluntary income | 4 | 12,000 | 140,921 | 152,921 | 107,270 |
| Cost of trading activities | 4 | - | 109,910 | 109,910 | 126,131 |
| Charitable activities | | | | | |
| Grants (including placement grants) | 3 | 20,000 | 38,960 | 58,960 | 56,457 |
| Governance costs | 5 | - | 3,465 | 3,465 | 4,537 |
| Total Expenditure | | <u>32,000</u> | <u>293,255</u> | <u>325,255</u> | <u>294,395</u> |
| Net Income/(Expenditure) before gains and losses on investments | | <u>(20,000)</u> | <u>235,101</u> | <u>215,101</u> | <u>162,973</u> |
| Net (losses)/gains from investments | 8 | - | 630,371 | 630,371 | (228,304) |
| Net Income/(Expenditure) | | <u>(20,000)</u> | <u>865,472</u> | <u>845,472</u> | <u>(59,686)</u> |
| Other recognised (losses)/gains | | | | | |
| Actuarial (losses)/gains on defined benefit Pension scheme | 13 | - | - | - | (1,000) |
| Gain on revaluation of fixed assets | 7 | - | 372,094 | 372,094 | - |
| Net movement in funds | | <u>(20,000)</u> | <u>1,237,566</u> | <u>1,217,566</u> | <u>(60,686)</u> |
| Funds Brought Forward | | 53,247 | 4,625,149 | 4,678,396 | 4,739,082 |
| Total Incoming Resources | | <u>33,247</u> | <u>5,862,715</u> | <u>5,895,962</u> | <u>4,678,396</u> |

The notes on pages 13 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

For the year ended 30 September 2021

| COMPARATIVE SOFA 2020 | Note | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|---|-------------|-------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Voluntary Income: | | | | | |
| Donations | | 87,000 | 83,059 | 170,059 | 186,613 |
| Legacies | | - | - | - | 100,829 |
| Other | | 4,500 | 10,275 | 14,775 | 11,820 |
| Activities to Generate Funds: | | | | | |
| Turnover from trading activities | | - | 95,864 | 95,864 | 149,438 |
| Investment Income | | - | 142,581 | 142,581 | 135,485 |
| Bank Interest Received | | - | 381 | 381 | 147 |
| Other | | - | 39,353 | 39,353 | - |
| Total Incoming Resources | | <u>91,500</u> | <u>371,513</u> | <u>463,013</u> | <u>580,332</u> |
| EXPENDITURE ON: | | | | | |
| Costs of generating funds: | | | | | |
| Costs of generating voluntary income | 4 | 16,500 | 90,770 | 107,270 | 151,823 |
| Cost of trading activities | 4 | - | 126,131 | 126,131 | 172,491 |
| Charitable activities | | | | | |
| Grants (including placement grants) | 3 | 56,457 | - | 56,457 | 87,695 |
| Governance costs | 5 | - | 4,537 | 4,537 | 5,350 |
| Total Expenditure | | <u>72,957</u> | <u>221,438</u> | <u>294,395</u> | <u>417,359</u> |
| Net Income/(Expenditure) before gains and losses on investments | | <u>18,543</u> | <u>150,075</u> | <u>168,618</u> | <u>162,973</u> |
| Net (losses)/gains from investments | 8 | - | (228,304) | (228,304) | 149,337 |
| Net Income/(Expenditure) | | <u>18,543</u> | <u>(78,229)</u> | <u>(59,686)</u> | <u>312,310</u> |
| Other recognised (losses)/gains | | | | | |
| Actuarial (losses)/gains on defined benefit Pension scheme | 13 | - | (1,000) | (1,000) | 10,000 |
| Net movement in funds | | <u>18,543</u> | <u>(79,229)</u> | <u>(60,686)</u> | <u>322,310</u> |
| Funds Brought Forward | | 34,704 | 4,704,378 | 4,739,082 | 4,416,772 |
| Total Incoming Resources | | <u>53,247</u> | <u>4,625,149</u> | <u>4,678,396</u> | <u>4,739,082</u> |

The notes on pages 13 to 24 form part of these financial statements.

BALANCE SHEET

For the year ended 30 September 2021

| | Note | 2021 £ | £ | 2020 £ | £ |
|---|-------|-------------------------|---|-------------------------|---|
| FIXED ASSETS | | | | | |
| Tangible assets | 7 | 1,107,125 | | 707,443 | |
| Investments | 8 | 4,685,231 | | 3,880,095 | |
| | | <u>5,792,356</u> | | <u>4,587,538</u> | |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 48,874 | | 11,942 | |
| Cash at Bank and in Hand | | 68,668 | | 98,996 | |
| | | <u>117,543</u> | | <u>110,938</u> | |
| CREDITORS: Amounts falling due within one year | 10 | (11,937) | | (16,080) | |
| | | <u>105,606</u> | | <u>94,858</u> | |
| Net Assets excluding pension liability | | <u>5,897,962</u> | | <u>4,682,396</u> | |
| Defined benefit pension scheme liability | 13 | (2,000) | | (4,000) | |
| Net Assets | | <u><u>5,895,962</u></u> | | <u><u>4,678,396</u></u> | |
| FUNDS | | | | | |
| Restricted Funds | 15/16 | 33,247 | | 53,247 | |
| Unrestricted Funds | 15/16 | 5,862,715 | | 4,625,149 | |
| Net Assets | | <u><u>5,895,962</u></u> | | <u><u>4,678,396</u></u> | |

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

For the financial year ended 30 September 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year ended 30 September 2020 in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

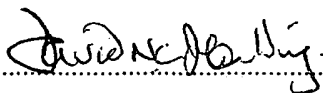
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BALANCE SHEET

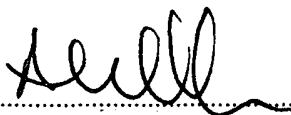
For the year ended 30 September 2021

The financial statements were approved by the Trustees on 17 March 2022

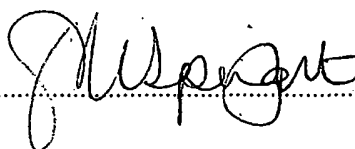
The Revd Prebendary David Houlding



The Right Revd Anthony Robinson



Mrs Mary Speight



STATEMENT OF CASHFLOWS

For the year ended 30 September 2021

| | 2021 £ | 2020 £ |
|--|-------------------------|-------------------------|
| Cash flows from operating activities: | | |
| Net income/(expenditure) for the reporting period | 1,217,566 | (60,685) |
| Adjustments for: | | |
| Depreciation charges | 37,102 | 26,058 |
| Losses/(Gains) on investments | (630,371) | 228,304 |
| Pension fund movements | (2,000) | (2,000) |
| Dividends, interest and rents from investments | (143,319) | (142,962) |
| (Increase)/Decrease in debtors | (36,934) | 15,072 |
| Increase/(Decrease) in creditors | (4,143) | (12,059) |
| Losses/(Gains) on fixed assets | (372,094) | - |
| Net cash provided by operating activities | <u>65,807</u> | <u>51,727</u> |
| Cash flows from investing activities: | | |
| Dividends and interest from investments | 143,319 | 142,962 |
| Proceeds on disposal of investments | 150,000 | 279,538 |
| Purchase of fixed assets | (64,689) | (131,084) |
| Purchase of investments | (460,000) | (279,538) |
| Net cash provided by/(used in) investing activities | <u>(231,370)</u> | <u>11,878</u> |
| Change in cash and cash equivalents in the reporting period | (165,563) | 63,605 |
| Cash and cash equivalents at the beginning of the period | 293,337 | 229,732 |
| Cash and cash equivalents at the end of the reporting period | <u>127,774</u> | <u>293,337</u> |
| Cash and cash equivalents at the end of the reporting period comprises: | | |
| Cash at bank and in hand | 68,668 | 98,996 |
| Cash held on investment | 59,106 | 194,341 |
| | <u>127,774</u> | <u>293,337</u> |

ADDITIONAL CURATES SOCIETY

(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

1. GENERAL INFORMATION

The Society is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited per member of the charity.

2. ACCOUNTING POLICIES

a) BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Additional Curates Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) PREPARATION OF ACCOUNTS ON GOING CONCERN BASIS

The COVID-19 outbreak has put additional strains on the Society's operational performance with a reduction in income and donations as well as a fall in the number of grants applications being received, and this has had a negative financial impact. The Trustees consider that the level and nature of the financial reserves at 30 September 2020 and up to the date of signing the annual report and financial statements, does not impact upon the assumption that the organisation is a going concern.

c) FUND ACCOUNTING

Unrestricted funds are funds which are available for use at the discretion of the Council in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor, or have been raised by the charity for specified purposes. Those costs incurred in relation to such a fund are charged against the specific fund.

d) DONATIONS RECEIVED

Donations are credited to the Statement of Financial Activities as received.

e) LEGACIES RECEIVED

Legacies are credited to the Statement of Financial Activities at the point at which the Society becomes entitled to the legacy and the amount is capable of measurement.

Legacies of assets are included at their market value.

f) INCOME FROM PRINTING AND SALES OF GOODS

The Society undertakes some trading on its own account but the majority of the trading income is from sales of its literature including the magazine insert "Christian Life" and external printing.

ADDITIONAL CURATES SOCIETY
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

2. ACCOUNTING POLICIES (Continued)

g) INVESTMENT INCOME

Dividends including the associated tax credits are recognised when received.

h) COST OF SALES ON PRINTING ACTIVITIES AND SALES OF GOODS

The trading expenses, including those of printing only include materials and certain overhead costs directly attributable to printing. These included the costs of staff, depreciation of related office equipment and other appropriate overheads.

i) GRANTS PAYABLE

Grants payable are only recognised on payment, all grants are authorised by Council members.

j) TAX RECLAIMS

Tax deducted from investments and gift aid income is reclaimed by the Society and is included as income in the accounts on the following basis:

- (i) Tax deducted from investment income - by reference to the date the income is received.
- (ii) Tax deducted from gift aid income - by reference to the date the tax reclaimed is received.

k) RESOURCES EXPENDED

Expenditure is recognised on an accruals basis as a liability is incurred.

- i) Costs of generating funds comprises the costs associated with attracting voluntary income and the costs of the charity's printing activities.
- ii) Charitable expenditure comprises those costs incurred by the charity in delivery of its activities for its beneficiaries.
- iii) Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fee, preparing the statutory accounts and costs linked to the strategic management of the charity.
- iv) All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource and costs relating to a particular activity are allocated directly to them.

The charity is partially exempt for VAT purposes, the expenditure within the financial statements being shown net of VAT, with the irrecoverable VAT being disclosed within the costs of generating voluntary income.

l) PENSION COSTS

The cost of providing retirement pensions is charged to the Statement of Financial Activities on the basis of a constant percentage of earnings in the case of the defined contribution scheme. Contributions to the defined benefit scheme are paid at an annual rate agreed with the Insurance Company who administer the scheme, at the start of the scheme year. The difference between the charge to the Statement of Financial Activities and the contributions paid to the schemes is shown as an asset or liability in the balance sheet.

ADDITIONAL CURATES SOCIETY
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

2. ACCOUNTING POLICIES (Continued)

m) TANGIBLE FIXED ASSETS AND DEPRECIATION

All fixed assets are capitalised and are initially recorded at cost. Depreciation is charged on a straight line basis at the following rates:

| | |
|--------------------------------|---------------|
| Freehold residential property | 2% |
| Leasehold office building | Life of lease |
| Office furniture and equipment | 10% |
| Computer equipment | 20% |

n) INVESTMENTS

Fixed asset investments are stated at closing mid-market value at the balance sheet date. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

o) OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3. GRANTS PAYABLE

| | 2021 | | 2020 | |
|--|-------------------|-----------------|-------------------|-----------------|
| | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ |
| Institutional grants made for the support of clergy: 3 (2020: 4) | 12,000 | 20,000 | - | 37,000 |
| Parochial Church Councils – 14 (2020:13) | 26,960 | - | - | 19,457 |
| | <u>38,960</u> | <u>20,000</u> | <u>-</u> | <u>56,457</u> |
| | ===== | ===== | ===== | ===== |

The Trustees consider the grants paid to be of public benefit.

ADDITIONAL CURATES SOCIETY**(A Company Limited by Guarantee and not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2021****4. COSTS OF GENERATING FUNDS**

| | Voluntary Income | Printing, Activities and purchases for re-sale | Total 2021 | Voluntary Income | Printing, Activities and purchases for re-sale | Total 2020 |
|---|---------------------|--|----------------|---------------------|--|----------------|
| | £ | £ | £ | £ | £ | £ |
| Organising expenses | 8,292 | - | 8,292 | 11,099 | - | 11,099 |
| Staff costs | 76,448 | 28,611 | 105,059 | 47,837 | 54,354 | 102,191 |
| Costs of printing activities and goods for sale | - | 58,113 | 58,113 | - | 52,632 | 52,632 |
| General office expenses | 17,101 | 8,550 | 25,651 | 3,671 | 1,835 | 5,506 |
| Postage | 1,181 | 10,633 | 11,814 | 1,224 | 11,018 | 12,242 |
| Telephone | 977 | 1,954 | 2,931 | 1,613 | 3,226 | 4,839 |
| Gas, electricity and water | 2,504 | 2,049 | 4,553 | 3,747 | 3,066 | 6,813 |
| Professional fees and bank charges | 1,453 | - | 1,453 | 2,121 | - | 2,121 |
| Property repairs and expenses | 6,940 | - | 6,940 | 9,753 | - | 9,753 |
| Vocations | 924 | - | 924 | 147 | - | 147 |
| Depreciation: | | | | | | |
| Freehold property | 13,200 | - | 13,200 | 2,157 | - | 2,157 |
| Leasehold property | 2,747 | - | 2,747 | 2,747 | - | 2,747 |
| Office furniture and equipment | 21,155 | - | 21,155 | 21,154 | - | 21,154 |
| | <u>152,921</u> | <u>109,910</u> | <u>262,831</u> | <u>107,270</u> | <u>126,131</u> | <u>233,401</u> |

Voluntary income above includes £12,000 (2020: £16,500) of staff costs which are funded through restricted funds.

5. GOVERNANCE COSTS

| | 2021 £ | 2020 £ |
|--------------------------------------|--------------|--------------|
| Independent Examination | 3,465 | 3,300 |
| Council Meeting and members expenses | - | 1,237 |
| | <u>3,465</u> | <u>4,537</u> |

ADDITIONAL CURATES SOCIETY**(A Company Limited by Guarantee and not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2021****6. STAFF COSTS**

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Wages and Salaries (including benefits in kind) | 91,092 | 90,228 |
| Social Security Costs | 5,444 | 4,641 |
| Pension Costs | 10,523 | 7,322 |
| | <u>107,059</u> | <u>102,191</u> |

No employee earned £60,000 pa or more. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The Society received £48,812 in funding from the Coronavirus Job Retention Scheme (Furlough) in the year for the two employees who was on furlough for part of the year.

No remuneration was paid or is payable to the Council members for the year (2020- £Nil). The General Secretary is considered to be the key management of the Charity. The total emoluments of key management personnel for the Society were £49,962 (2020 - £46,472).

Expenses reimbursed to Council members for the costs of travelling to attend meetings amounted to £nil for 3 virtual meetings, in 2020 - £1,237 (3 meetings). Of the 12 Council members who served during the year the number receiving reimbursements of expenses was nil (2020 - 9).

The average number of employees of the Society during the year was:

| | 2021 | 2020 |
|--------------------------------------|------------------|------------------|
| | No | No |
| Support of the charitable activities | 1 | 1 |
| Trading | 2 | 2 |
| | <u>3</u> | <u>3</u> |
| | <u>==</u> | <u>==</u> |

ADDITIONAL CURATES SOCIETY**(A Company Limited by Guarantee and not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2021****7. TANGIBLE FIXED ASSETS**

| | Leasehold Property £ | Freehold Property £ | Furniture & Equipment £ | Total £ |
|---------------------------------|-------------------------------------|------------------------------------|--|--------------------|
| COST | | | | |
| 1 October 2020 | 395,500 | 223,216 | 210,345 | 829,061 |
| Additions | - | 64,689 | - | 64,689 |
| Revaluation | - | 372,095 | - | 372,095 |
| 30 September 2021 | <u>395,500</u> | <u>660,000</u> | <u>210,345</u> | <u>1,265,845</u> |
| ACCUMULATED DEPRECIATION | | | | |
| 1 October 2020 | 8,928 | 39,290 | 73,400 | 121,618 |
| Charge for the year | 2,747 | 13,200 | 21,155 | 37,102 |
| Disposal | - | - | - | - |
| 30 September 2021 | <u>11,675</u> | <u>52,490</u> | <u>94,555</u> | <u>158,720</u> |
| NET BOOK VALUE | | | | |
| 30 September 2021 | <u>383,825</u> | <u>607,510</u> | <u>115,790</u> | <u>1,107,125</u> |
| 30 September 2020 | <u>386,572</u> | <u>183,926</u> | <u>136,945</u> | <u>707,443</u> |

All tangible fixed assets are used in the printing activities or in the management and administration of the charity.

Leasehold property has been depreciated in line with the life of the lease.

Freehold property

The Trustees have received a professional valuation of the freehold property following significant structural, electrical and refurbishment works carried out in the last two years. The property has been valued as at 4 March 2021 at £660,000 based on an open market valuation by Marwood Surveyors 28 High Street Aldridge WS9 8LZ.

| | |
|----------------------------|----------|
| Original value of property | £107,825 |
| Additions | £180,080 |
| Revaluation uplift | £372,095 |
| Revalued amount | £660,000 |

The revaluation uplift of £372,095 in the year has been disclosed as an unrealised gain in the statement of financial activities and a revaluation reserve has been created in the unrestricted funds, see note 16.

ADDITIONAL CURATES SOCIETY
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

8. INVESTMENTS

| | 2021 £ | 2020 £ |
|-------------------------------|------------------|------------------|
| LISTED INVESTMENTS: | | |
| Market value at 1 October | 3,535,754 | 3,764,058 |
| Acquisitions at cost | 460,000 | 279,538 |
| Sales proceeds for disposals | - | (279,538) |
| (Loss) / gains in the year | 630,372 | (228,304) |
| Market value at 30 September | <u>4,626,126</u> | <u>3,535,754</u> |
| National Savings Income Bonds | - | 150,000 |
| Cash held for investments | 59,105 | 194,341 |
| | <u>59,105</u> | <u>344,341</u> |
| Total as at 30 September | <u>4,685,231</u> | <u>3,880,095</u> |

| | 2021 £ | 2020 £ |
|----------------------------------|------------------|------------------|
| The historic cost of investments | <u>2,715,512</u> | <u>2,405,512</u> |

Investments in individual entities held at 30 September 2021 which are over 5% of portfolio by value are:

| | £ |
|--|------------------|
| 88,717 M & G Charifund Income Units | 1,364,012 |
| 89,366 CBF Church of England Investment Fund Income Units | 1,975,561 |
| 51,223 CBF Church of England Investment Fund Income Shares | <u>1,132,370</u> |

ADDITIONAL CURATES SOCIETY**(A Company Limited by Guarantee and not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2021****9. DEBTORS**

| | 2021 £ | 2020 £ |
|---------------------|---------------|---------------|
| Trade debtors | 4,395 | 4,395 |
| Prepayments | 3,622 | 3,209 |
| Legacies receivable | 33,000 | - |
| Other debtors | 7,767 | 4,338 |
| | <u>48,874</u> | <u>11,942</u> |

10. CREDITORS: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|-----------------|---------------|---------------|
| Trade creditors | - | 23 |
| Accruals | 11,937 | 16,057 |
| | <u>11,937</u> | <u>16,080</u> |

11. FINANCIAL COMMITMENTSCapital Commitments

Capital commitments in relation to the refurbishment works at 201 Station Road amounted to £nil at the year end (2020 - £61,300).

12. OPERATING LEASES

| | 2021 £ | 2020 £ |
|----------------------------|--------------|--------------|
| Within one year | 4,181 | 3,168 |
| Between two and five years | 4,876 | 4,752 |
| More than five years | - | - |
| | <u>9,057</u> | <u>7,920</u> |

ADDITIONAL CURATES SOCIETY

(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

13. PENSION COSTS / LIABILITY

The Society runs both a money purchase and a defined benefit pension scheme. The funds are held by an insurance company and are separate from the assets of the Society.

Additional Curates 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 hold the assets of the schemes separately from those of the Responsible Bodies.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year 2021: £2,000 (2020: £3,000), plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 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%;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowances for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter 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 payable (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends

| | Jan 18 to Dec 20 | Jan 21 to Dec 22 |
|-----------------------------|---------------------|---------------------|
| Deficit repair contribution | 11.9% ===== | 7.1% ===== |

As at 31 December 2019, 31 December 2020 and 31 December 2021 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.

ADDITIONAL CURATES SOCIETY**(A Company Limited by Guarantee and not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2021****13. PENSION COSTS/ LIABILITY (continued)**

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 2020 and 2021 is set out in the table below.

| | 2021 £ | 2020 £ |
|--|--------------|--------------|
| Balance as at 1 October | 4,000 | 6,000 |
| Deficit contribution paid | (2,000) | (3,000) |
| Actuarial (gains)/losses recognised through SoFA | - | 1,000 |
| Balance as at 30 September | <u>2,000</u> | <u>4,000</u> |

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

| | 2021 % p.a. | 2020 % p.a. | 2019 % p.a. | 2018 % p.a. |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Discount rate | 0.0% | 0.2 | 1.4 | 1.5 |
| Price inflation | n/a | 3.1 | 8.0 | 3.1 |
| Increase to total pensionable payroll | -1.5% | 1.6 | 1.5 | 1.6 |

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

14. MEMBERS' LIABILITY

The liability of the members is limited on a winding up to a sum not exceeding £5 each. (The company is limited by guarantee and therefore does not have a share capital.)

ADDITIONAL CURATES SOCIETY
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted Funds £ | Unrestricted Funds £ | Total £ |
|-----------------------|-----------------------------------|-------------------------------------|--------------------|
| Tangible Fixed Assets | - | 1,107,125 | 1,107,125 |
| Investments | - | 4,685,231 | 4,485,231 |
| Current Assets | 33,247 | 84,296 | 117,543 |
| Current Liabilities | - | (11,937) | (11,937) |
| Pension Liability | - | (2,000) | (2,000) |
| | <u>33,247</u> | <u>5,862,715</u> | <u>5,895,962</u> |

16. FUNDS

| | Balance at 1 Oct 2020 £ | Incoming Resources £ | Outgoing Resources £ | Balance at 30 Sep 2021 £ |
|--|--|-------------------------------------|-------------------------------------|---|
| Restricted | | | | |
| Grants and Vocations | 9,845 | - | - | 9,845 |
| St Anne's, Derby | 23,402 | - | - | 23,402 |
| Confraternity of the Blessed Sacrament | 20,000 | 12,000 | (32,000) | - |
| | <u>53,247</u> | <u>12,000</u> | <u>32,000</u> | <u>33,247</u> |

The funding received for grants and vocations was received specifically for the purpose of supporting the vocations work.

The funding received for St Anne's, Derby was received specifically for the accommodation costs of an Assistant Priest.

The funding received from the Confraternity of the Blessed Sacrament was split £12,000 towards the running costs of the charity, specifically salaries and £20,000 towards grants.

The funding received from the Church Union were received towards the running costs of the charity, specifically salaries.

| | |
|---------------------------|------------------|
| Unrestricted funds | £ |
| At 1 October 2020 | 4,625,149 |
| Incoming resources | 528,356 |
| Outgoing resources | (293,255) |
| Other gains/(losses) | 1,002,465 |
| At 30 September 2021 | <u>5,862,715</u> |

ADDITIONAL CURATES SOCIETY**(A Company Limited by Guarantee and not having a Share Capital)****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2021**

| | Balance at 1 Oct 2020 £ | Movement in year £ | Balance at 30 Sep 2021 £ |
|---|-------------------------------|--------------------------|--------------------------------|
| Unrestricted funds | | | |
| Revaluation reserve for freehold property | - | 372,094 | 372,094 |
| General fund | 4,625,149 | 865,472 | 5,490,621 |
| | <u>4,625,149</u> | <u>1,235,566</u> | <u>5,862,715</u> |

17. RELATED PARTY TRANSACTIONS

The General Secretary, Father Darren Smith, is a trustee of the Confraternity of the Blessed Sacrament. During the year the Confraternity of the Blessed Sacrament donated funds of £12,000 towards the running costs of the charity (2020: £12,000) and £nil towards grants (2020 £20,000).

The General Secretary, Father Darren Smith, is a trustee of the Church Union. During the year, the Church Union made donations of £6,030 towards the running costs of the charity (2020: £4,500). The Church Union were invoiced £8,000 (2020: £11,640 includes car parking space) in relation to rental of office.

The General Secretary, Father Darren Smith, is a trustee of St John's Guild. During the year St John's Guild were invoiced £900 (2020: £nil) in relation to rental of a car parking space.