

With Jesus  
With each other  
To the edges



# Annual Report and Financial Statements

for the year ended 31 January 2022



CHURCH  
MISSION  
SOCIETY

SATURDAY



\*ABBQPPOR\*

A13

03/09/2022

#90

COMPANIES HOUSE



# Table of Contents

3	Chair of Trustees' Report
4	The Strategic Report of the CMS Trustees
4	Introduction
6	Mission Partners
7	Pioneer Mission Education
8	Mission Transformation
9	Mission Grants
10	Local Partners
11	Enabling Mission Network
12	CMS Strategic Priorities
14	Structure, Governance and Management
19	Financial Review
24	Statement of Trustees' Responsibilities
25	Independent Auditor's Report
29	Consolidated Statement of Financial Activities
30	Consolidated and Charity Balance Sheet
31	Consolidated Cash Flow Statement
32	Notes to the Financial Statements
65	Reference Details of the Charity and Advisers

**Church Mission Society - Group**

Registered company limited by guarantee in England and Wales (Company no. 6985330)

Registered charity no. 1131655 (England and Wales)

Registered charity no. SC047163 (Scotland)

Church Mission Society is a mission community acknowledged by the Church of England.

**With Jesus  
With each other  
To the edges**



# Chair of Trustees' Report

Charles Clayton

## **Did you experience more adjustment last year as a result of the pandemic and its impact?**

You are not alone! Many of the people we serve worldwide have continued to experience change. There have been new occasions for both joy and heartbreak, strong faith and deep questions.

Church Mission Society (CMS) also experienced this in 2021–22. New challenges, opportunities and problems to solve in every part of our work. Here in Oxford we learned the meaning of hybrid working in the office or at home, and saw a mix of hellos and goodbyes in our staff team. Most of all we took up the challenge of introducing a new vision and mission strategy while sustaining

our ongoing work. As this report is written, we are on the verge of sharing our renewed vision and purpose, as well as a refreshed brand identity, more publicly. There is a mix of enthusiasm and humility about

**“The biggest highlights for me are the stories of lives being changed.”**

this, as we continue to trust God to guide us through the transitions.

The biggest highlights for me are the stories of lives being changed. They concern people like Chinda, who worked in the sex industry in Thailand before an encounter with a CMS local partner opened up a new path. Or Sadia, a South Sudanese refugee who found peace in Jesus while staying in a refugee camp thanks to the efforts of local partner Sam. We saw the green light given to a new foster care programme in

northern Brazil – the first of its kind in the area and the result of years of advocacy by our partner project ReVive. These reports, of the power of the gospel and of lives changed by God himself, are at the very heart of our mission.

In the UK we were pleased to launch a new, unique Pioneer Mission Leadership MA pathway focusing on the African Christian diaspora with a pilot group of 10 students from around the world, led by an African missiologist. The pioneer team also hosted a fantastic online festival attended by hundreds of people. In September an intrepid group of fundraisers celebrated 222 years of God's mission through CMS by taking on a sponsored 222-mile walk, and a dear supporter called Clive undertook the challenge of painting 222 church railings over the summer. These events yielded thousands of pounds of generous giving to CMS and we are so thankful.

The year's adjustments included changes among our staff leaders. We were pleased to welcome our new international mission director Andy Roberts, yet also bid fond farewells to Charlie Walker, our finance and corporate services director, and Steve Burgess who, on retirement, had dedicated 40 years to mission in Africa.

I mentioned above that we have a renewed vision and focus. It is: We long to see our world made new through the love of God as we follow Jesus to the edges. I look forward to sharing with you a year from now how this has unfolded, how we have seen God at work particularly where the Church is minimal or marginal. Until then, as I look back over 2021 and forward into 2022, I want to thank you and all those who pray for CMS, give financially, advocate and take action for God's mission. It's a privilege and a blessing to be part of this organisation and to work alongside a global family of wonderful colleagues and supporters.



ANNUAL REPORT 2022

# The Strategic Report of the CMS Trustees

**The Trustees of Church Mission Society, who are Directors of the Charity for the purposes of the Companies Act 2006, present their annual report and the audited consolidated financial statements for the year ended 31 January 2022.\***

## Objectives and Activities

---



### What do we want to see? Our Vision

**Our vision is to see all God's people engaged in God's mission, bringing challenge, change, hope and freedom to the world.**

As we join in God's mission, through Jesus and in the power of the Spirit we see that:

- The love of Christ renews people and places
- Pioneering leaders forge new paths of transformation
- People on the margins flourish
- The healing of creation begins



### Who are we? Our Identity

**We are a community of people set free to follow God's call in mission.**

As a community it is God's mission that is our passion. Our common commitment is:

- To participate in mission
- To learn from mission
- To pray for mission

---

\* Strategy and vision outlined on these pages relates to the financial year 1 February 2021–31 January 2022, matching the figures in this report. New vision and strategy was launched in spring 2022 and will be reflected in next year's report.



## What are our values?

**We are people who are:**

- **Pioneering:** we try new things, ask questions, cross boundaries
- **Evangelistic:** we share Jesus in word and action
- **Relational:** we get alongside people, becoming a genuine part of the communities where we find ourselves
- **Faithful:** where others have left or given up, we remain committed for the long haul

As a mission community God calls us to be such people. We commit ourselves to live by these values.



## What do we do? Our Call

At Church Mission Society we believe that all God's people are called to join in God's mission, whether that means going overseas or over the road, and we work to set people free to put that call into action.

Put simply, we spend most of our time getting people into mission and mission into people.

Strategically we deliver our purpose in three ways:

- Raising disciples in mission
- Partnering churches in mission
- Maximising our effectiveness in mission

## Achievements and Performance

The following stories illustrate some of the achievements in each of CMS's areas of activity and celebrate both the impact for individual beneficiaries and the wider benefits for society as a whole. To achieve our mission, we work through the following six mission activities:

- **Mission Partners:** Our mission partners are members of the community who feel called to serve alongside local Christians in other cultures, wherever in the world that may take them.
- **Pioneer Mission Education:** Wherever in the world the mission of Jesus takes place, the church needs pioneer mission leaders to break new ground. This fresh and innovative training programme currently offers certification up to doctoral level and is particularly for those working in pioneering contexts.
- **Mission Transformation:** We believe in every member of the Church being involved in the mission of Jesus. With many of the 2,661 CMS community members living in the UK, we are concerned for mission locally, as well as in the rest of the world.
- **Mission Grants:** Grants provide seed money and ongoing financial support for key projects and ministries.
- **Local Partners:** Local partners are gifted, passionate Christian leaders in Asia, Africa, Latin America, Europe, North Africa and the Middle East. We give vital financial support towards the ministry of these leaders.
- **Enabling Mission Network:** CMS is committed to seeing indigenous CMS missions established globally – enabling local mission leaders to follow God's leading. This network includes CMS-Africa, Asia-CMS, New Zealand CMS, CMS Ireland, CMS Australia and SAMS-USA.

# Mission Partners

**M**ission partners have been active in serving their communities and sharing the love of God in 37 countries throughout 2021-22. Many supported the local church's response to COVID-19: in Latin America advocating for clear information about the spread and treatment of the virus, in India raising funds for local hospital services.

In South Asia and across Africa CMS mission partners have equipped local Christians for gospel outreach into rural and marginal contexts. Mission partners involved in spiritual direction and leadership development have refreshed and sustained workers in places of minimal Christian presence across North Africa and the Middle East, as well as Central America, enabling fruitful ministry.

We continued to support 91 mission associates and 17 short-termers around the world. One family serving short-term in Goma, DR Congo, were present when Mount Nyiragongo erupted. They have actively supported the diocese's response, providing care to those whose homes were destroyed.

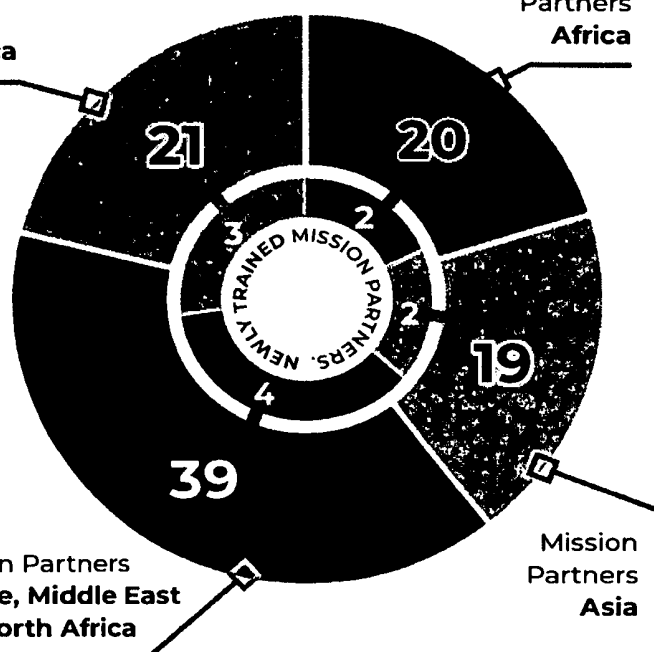
Gap year students could be recruited again after a year of travel restrictions – three completed

Mission Partners  
Latin America

Mission Partners  
Africa

Mission Partners  
Europe, Middle East  
and North Africa

Mission Partners  
Asia



training with us in January 2022, ready to immerse themselves into local mission in Latin America and Africa.

Joyfully, mission partner training recommenced in person; two couples completed training in spring 2021 and moved to their ministry contexts in Israel and the Czech Republic. Another four couples trained with us in the autumn, two of whom are now settling into their new contexts with the other two completing final preparations before departure to placements in South Asia and Tanzania.

## Guiding young people to God in Guatemala

After her first three years in Guatemala, mission partner Azaria Spencer reflects on her work with street-connected children and young people, and the slow, transforming impact of God in their lives:

When I arrived in Guatemala I had all kinds of expectations of what I might "do" or "achieve". Even when I tried, it was hard to surrender my desire to "do". However, it is through that surrender that God can work more holistically. Relationship and transformation are not easily measurable, but they are central to who God is, and what he has been doing in me and through me in Guatemala.

With Street Kids Direct (SKD) I started working closely with a group of teenage boys. Through consistency and relationship, we started a weekly "family time", involving food, films and fun. From this has developed times of short Bible studies and now one-on-one mentoring-type sessions. In fulfilling a

sisterly or even motherly role in their lives, I have had the absolute privilege of seeing these young men grow and transform.

Danilo, for example, a somewhat stropky 13-year-old, intent on making everyone's lives difficult when we first met. Yet over time he softened and shared more of his story, giving context to his anger. Through support, guidance, educational support and, most importantly, love, I have seen him completely transform. Now Danilo volunteers and serves in our support centre, he is full of fun banter, is succeeding in school and exploring deeper his relationship with God.

Danilo is one of many young people in whose journeys I have had the honour of playing a part. Their lives have been transformed by God, and they're heading to much brighter futures. Imagine how many more lives God will impact through them.

# Pioneer Mission Education

**T**his year we have been able to connect with more people than ever before with our Pioneer Mission Leadership Training through our ever-expanding range of training courses, our growing network of regional training hubs, and seeking new ways to connect with and train people online.

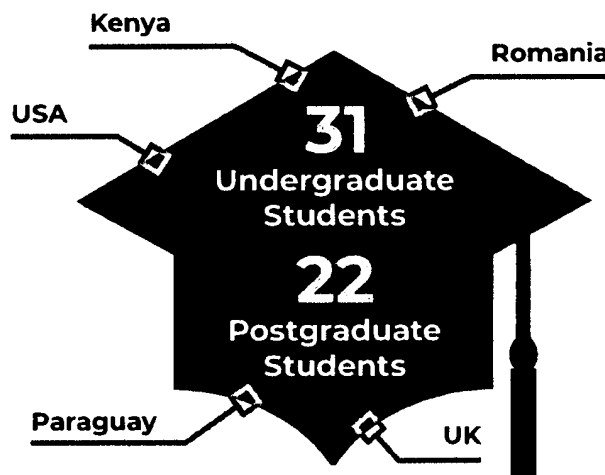
We began the year still under COVID-19 restrictions, but this didn't stop 50 people beginning their Pioneer training with CMS during this academic year. With the training taking place online, we were able to connect with people as far afield as Australia, something which would have seemed impossible just a few years ago.

In April 2021 we had the joy of running our annual Pioneer conversations day fully online for the first time. This event, named Gather, saw over 200 pioneers from around the world join us for a virtual festival on the Gather.town online platform. Participants were able to access a wide range of content including workshops on how to implement pioneer practice, and venues for worship and prayer.

We have continued to grow the range of courses we offer, most notably by offering a new route through our MA programme with a focus on the African Christian diaspora. As they explore subjects such as the history of Christianity in Africa and African theology, students will study Africa as a creative and vibrant centre of Christianity in the 21st century. To enable as many people as possible to benefit from this course, we have made it fully accessible online, meaning we now have students joining us from Kenya.

Our regional hubs offering Pioneer training in different locations also continued to see growth. In total 60 students graduated from across our five Pioneer hubs, including the very first cohort of 16 students from the Northern

Mission Centre run in partnership with the Diocese of Carlisle. This year we also announced a new South West hub, which will be the first formed as a partnership between three dioceses: Salisbury, Truro and Bath & Wells.



➔ With several modules and the Africa-focused MA available online, students have joined from four continents, and across England from Yorkshire to Cornwall. (Figures cover students starting to study at least one module in September 2021.)

## Start of a new movement?

A first-of-its-kind Master's programme led by a renowned African academic is the first step towards a movement of post-colonial missionaries, where mutual learning across cultures is embedded from the start. "I grew up in Africa, so I know what an empowered African church can do," says Dr Harvey Kwiyan, who has been officially announced as programme lead for the MA in theology, mission and ministry with a focus on the African Christian diaspora at Church Mission Society.

This new MA pathway brings together the unique mission focus of CMS training with the fastest growing part of the church in Britain – the African diaspora. Ten students have joined the new African MA

pathway this year. Specialised modules will take these students on a journey through African church history, Pentecostalism and African traditional religions.

"I hope this Master's will help empower and equip the African church in Britain," says Dr Kwiyan, "and that will help in the re-evangelisation of Britain. But I'm also excited that we are creating an intentional space within CMS where African and British students can learn together and learn from each other."

Jonny Baker, director of mission education at CMS, said: "We're really excited about this new programme of study and the mix of students it will bring. We hope and expect that it will change us, as well as equip a wider range of students for pioneering mission."

# Mission Transformation

**A**s the coronavirus pandemic ebbed and flowed this year, we began to explore a new hybrid approach of connecting with people both online and in person. The CMS community were able to welcome many in person to the Africa conference in October, while those who were unable to attend in person could access all of the content online. Meanwhile, the Adelante (Latin America-themed) conference in September remained online; but was blessed by the attendance of many people from within Latin America.



For a second year we were unable to attend any Christian festivals, but our communications team

have continued to explore new ways to connect with people and share our mission work. Most notably this year, the team have been hard at work preparing to launch our new brand, which will help us to communicate our new vision for mission in the UK and around the world.

Our incredible community members continued to find imaginative ways to support God's mission. In August, one former CMS mission partner embarked on a fundraising project to mark our 222nd anniversary by painting 222 railings around the perimeter of his church. His efforts raised over £4,000, which went to support a training centre for people with disabilities in Tanzania.

The Partnership for Missional Church (PMC) process has continued to help many churches reconnect with communities. After a year in which church services were almost entirely online, this year many were able to once again meet together and work alongside other churches to benefit their communities. It was a joy for the team at CMS to be able to visit churches in person again to provide encouragement and support through the PMC process.

We have begun developing a hybrid model of delivering PMC, whereby churches still have opportunities to meet together but with improved online connectivity throughout the process. We aim to pilot this new model among churches in areas with high levels of deprivation, as it is in these areas where the PMC process can have the most significant impact for the good of the community.

## From burned out to fired up for mission

**Phil Marsh, mission and ministry development officer in Ely diocese, shares his experiences of the Partnership for Missional Church (PMC) journey and the transformation it can bring:**

I was looking for something different. I was burned out by ministry, by being the service provider, the events manager, the coordinator. I was figuring there had to be a different way of helping congregations to engage in ministry. PMC offered a framework that would enable me to lead the congregation in rethinking their missional culture.

People challenged their normal activities and thought about the impact beyond themselves. It transformed their decision-making – not just coming to decisions based on argument or persuasion,

but having a sense of conviction because God is involved. People really began to have a sense of being involved in God's mission in the places where they lived and worked.

It's broadened my imagination on where and how and in whom God works. It's changed how I view Christian leadership. I've become convicted of the need for us to learn how to build capacity in congregations. I just haven't seen anything else that has had the same transformational impact on individuals and in congregations. This will help you discern how God is calling you as a church very specifically at this time in this place to act and engage with his mission in the world.



# Mission Grants

**T**hrough the generosity of CMS supporters, we have again been able to make several grants this year to support a range of projects around the world. One such grant enabled three young men who had grown up on the streets in Honduras to enter the local police academy and have the opportunity to build a better future for themselves. Early in the year our mission partner Steve Poulson in Honduras shared the story of one of these young men:

## For Ever, Amen!

Steve writes: I work with street children and help run a mentoring programme at Street Kids Direct in Honduras, with a vision to place a caring and consistent adult in the lives of every high-risk child.

The coronavirus pandemic and lockdowns weren't easy for anyone, especially the kids we work with – without access to a smartphone and regular internet, they couldn't do the homework schools send through WhatsApp. Yet God was still at work...

We've been working with Ever for a long time. Street Kids Direct has sponsored him through school from the age of 13 or 14. Ever and his brother are the first in their family to graduate not only from secondary school but from primary school.

Ever really wants to be a mechanic within the police, a role which requires basic police training. He was accepted into the police academy during lockdown.

I took him through more intense discipleship over few months prior to the start of his training, and about a month before going to the police academy, he decided he wanted to be baptised. The pastor, Dionilo, and I baptised him a day before he left for training.

He's the first person I've seen all the way through from early teens to adulthood, taking steps of faith and being successful. A police job means a regular income once he passes his training. The one problem is the corruption in the police, but Ever is determined that if he feels forced to start compromising on his Christian values, he will leave the police.

After six weeks of police training he had already been promoted to assistant to the head of the training programme and led prayer and devotions for his friends most evenings.

In summer 2021, Ever finished his training and began his first placement. I was able to visit him briefly, and he spoke about being offered bribes



*Mission partner Steve Poulson and pastor Dionilo baptised Ever.*

on a daily basis and the temptation to be dishonest. I continue to support him, particularly in this area of integrity.

It's so encouraging to see a young person who is really growing and taking concrete steps, and now loving it so much that he's naturally sharing it with the people around him.

**“He's the first person  
I've seen all the way  
through from early  
teens to adulthood,  
taking steps of faith and  
being successful.”**

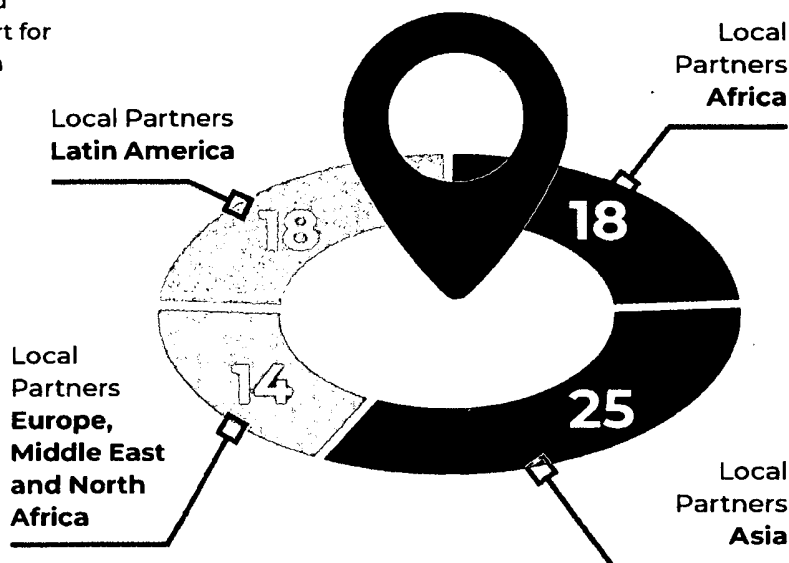
# Local Partners

**We are privileged to work with 75 local partners around the world, committed to serving the mission of God in their different contexts.** Local partners in Asia found themselves responding to the dramatic rise in cases of COVID-19 at the start of the year. Connected with on the ground realities, they were able to source and direct basic necessities and livelihood support for families in Nepal, India and other countries in the region. In light of the immense toll on mental health the pandemic has had, local partners produced resources to raise awareness about mental health and help address concerns.

In the Middle East local partners ministered to those at the margins, providing education for refugee children in Lebanon, supporting addicts on the road to recovery in Israel, and developing discipleship material and support networks for those looking to follow Jesus.

Individuals in South Sudan and DR Congo, whose lives have been marked by conflict and suffering, have found peace and hope in Christ, and developed new income-generating skills to support their families through the work of local partners in the

region. And in Latin America, local partners have seen growth in newly planted urban churches, trained future leaders for the church in indigenous communities, and crossed racial and cultural divides as witness to Christ.



## Freedom from sex work, new life in Jesus

Chinda, a single mother living in Thailand, was trapped in an abusive marriage. Fearing for her children's safety, one day she found the courage to leave. But money was tight, and, desperate to provide for her children's education and medical needs, Chinda was forced into sex work. She hated it but she could see no other way – until she met CMS local partner Helen.

As a trauma counsellor, Helen longs to see people free from oppression. God has given Helen a heart for women working in red light districts – she doesn't just see sex workers, she sees women Jesus loves, who need a friend.

Helen visits the bars, massage parlours and other places that employ women for sex work. She spends an hour or two in each place, getting to know the owners and the women who work there.

One evening, Helen noticed Chinda standing in a

corner looking deeply unhappy. Helen started chatting with her and invited her to play pool. They played a few rounds. Helen asked questions. For once, someone was taking a genuine interest in Chinda as a person.

Helen started meeting Chinda regularly and building a genuine friendship. Soon, they were talking about God and praying together. Chinda eventually found the courage to leave the sex industry and start a new life. She chose to follow Jesus soon after. Chinda knew that Jesus played a big part in the changes in her life. She was talking to Jesus daily and was always moved to tears whenever Helen prayed for her.

Today Chinda continues to grow in her faith and she has found new confidence in herself. She now works with Helen, distributing food and starting conversations with women who just need someone to look at them, talk to them like people and let them know that they have a part to play in God's story too.

# Enabling Mission Network

**T**he CMS mission network is made up of CMS, New Zealand CMS, CMS Australia, CMS Ireland, Asia-CMS, CMS-Africa and SAMS USA. As a fellowship of mission societies, the network is committed to mutual prayer and support, learning from one another and partnering together to see communities around the world transformed by the gospel. Over the last year we have seen continued collaboration across the network, with close partnerships in particular with CMS-Africa and Asia-CMS. The network has been pleased to welcome Andy Roberts (former CMS mission partner in Brazil and founder of ReVive International) as new international mission director for CMS, and Joan Watsulu Busolo as regional manager in Africa. The appointment of Joan in Kenya reflects the transition to this role being based locally, which will be followed by a similar transition for the regional manager position in Asia in the next year.

In November CMS-Africa and CMS organised a conference bringing together over 100 participants to explore how best to move forward in peacemaking and discipleship in eastern DR Congo. Hosted by the peace centre started by CMS local partner Bisoke Balikenga, the conference welcomed bishops, youth departments and Mother's Union representatives from six dioceses, as well as representatives from a number of other organisations. With translation locally into French/

Swahili and online into English, all participants were able to share experiences from their contexts, learn from one another and pray together for peace.



*Andy Roberts (former CMS mission partner) took up the role of international mission director for CMS*

## Jesus brought me peace and hope

Last year CMS local partner Sam Malish had started giving South Sudanese refugees mini digital audio players pre-loaded with messages of peace and healing from Scripture. The impact proved to be profound for people like Sadia.

Sadia lost her home and most of her family to brutal conflict in South Sudan. Her trust in people was deeply shaken after her husband left her and their three children. Her brothers stepped in to help, but then war broke out and they fled with their families. Sadia and her children found themselves alone.

After walking to a refugee camp in Uganda, Sadia and her children were safer, but life in the camp is a daily struggle with food strictly rationed, and no money for clothes and medication. Sadia grew more and more depressed and anxious. Dark thoughts filled her mind, and she even considered leaving her

children, just as she had been abandoned.

Then one day, one of Sam's audio players found its way into Sadia's hands. And when she pressed play, her life was changed forever...

Sadia heard the Bible story of Joseph being abandoned by his brothers. She said it was like listening to her own story. She says: "Joseph was betrayed by his own family but chose to forgive his brothers and because of his attitude, by allowing himself to go through the tough road, the situation changed. He was blessed and others were blessed too because of him."

Through engaging with Joseph's powerful story of forgiveness and the gospel message, Sadia encountered the Prince of Peace. As she forgave, her resentment melted away and she found peace in Jesus – the peace she had lost. Now, she is sharing her story to encourage and disciple others.



# CMS Strategic Priorities

**2021–22 saw significant delivery on the Organisational Strategic Plan.**

## WHAT WE SAID WE WOULD DO

### **Mission programme development:**

We have long been committed to working via mission partners and local partners within our regions of focus. The goal now is to see increased genuine collaboration between mission partners and local partners, who will work together towards more clearly defined shared goals within particular contexts.



## PROGRESS MADE ON 2021–22 PRIORITIES

We have implemented two “hubs” during the course of the year. Hubs are organised around a particular missional theme and will operate within a particular context or region. Two are now operational and four are in the development phase, with more to come. Hubs will be collaborative, bringing mission partners, local partners and further strategic global partners together around specific missional goals.

### **Organisational development:**

As we concentrate on increasing collaboration with our global network partners, we will be working to ensure we have the right structure, skills, roles and culture to enable this.



During the course of the year we have set in motion new staff teams, new roles and new structures to effectively implement the new organisational strategy. Specifically we have set up the People and Learning Group (operating from Feb 2022) whose focus is on the culture we want to embed within CMS, with particular attention being paid to learning and cross-team working.

### **Fundraising and Communications:**

Part of the Isaiah Project (CMS Strategic Review) has involved revisiting our branding, fundraising and communications strategies: rearticulating our vision and purpose as well as brand narrative in conjunction with the developing organisational strategy. Priorities now include implementing this refreshed narrative across our fundraising and communications and building an engagement plan that will increase awareness, interest, participation and support among our identified target audience(s) in order to achieve sustainability.



In 2021–22, the Branding and Fundraising Strategy group developed a new, cohesive brand narrative for CMS and a corresponding refreshed visual identity. (The communications team soft-launched this rebrand in April 2022.) Alongside this a new engagement strategy was written which has three key aims: maximising interaction with current audiences, reaching an identified new target audience and embedding the new brand narrative. The new vision of CMS is “to see our world made new through the love of God as we follow Jesus to the edges.” The new purpose statement is “to make disciples of Jesus at the edges.”



## Strategic Priorities for 2022–23

Having launched the new vision, the strategy and the structures we believe will help implement that strategy in 2021–22, the following year will be about the outworking of that strategy on the ground. Specifically we are concentrating on:

### 2022–23 STRATEGIC PRIORITIES

1

#### **Mission programme development:**

Continue to increase collaboration between people in mission in particular contexts within “hubs”. Having implemented two hubs, we seek to see these become established points of collaboration and to see further hubs in development and implementation.

2

#### **Organisational development:**

In 2022, as the People and Learning Group gets underway with some new staff roles in place, we will continue to develop and implement an agile, learning culture throughout CMS. We expect to see increased cohesion and collaboration within the Fundraising and Communications Group, having merged the two teams at the beginning of the financial year.

3

#### **Fundraising and Communications:**

Launch and embed the new CMS brand, including revamped website and flagship publications. As part of this, we aim to renew core communications and fundraising products to reflect the new brand and engagement strategy.

# Structure, Governance and Management

## Legal Status

Church Mission Society is a registered charity (England and Wales (RCN: 1131655), and Scotland (RCN: SC047163)) and a company limited by guarantee in England and Wales (Company Number 6985330) established on 8 August 2009, although its history as a mission dates back to the 18th century. For details of other group charities/members see Note 1 to the financial statements.

## Charitable Objects

Church Mission Society's object is as a community of people in mission obeying the call of God, to proclaim the gospel in all places and to draw all peoples into fellowship with the Lord Jesus Christ.

## Patron

The Most Rev and Rt Hon Justin Welby, Archbishop of Canterbury

## CMS Governance Arrangements

CMS is governed by its Memorandum and Articles of Association and by a Board of Trustees. The Trustees of CMS aim to have high standards of accountability as well as proper and ethical performance of their duties. The process for appointing the Board of Trustees is as follows:

- The Board of Trustees of CMS is made up of up to 15 CMS members elected by the CMS membership (including not more than three co-opted members) with a Chair appointed by the Board.
- The elected members of the Board of Trustees are subject to a fixed-term appointment of four years, with the opportunity to be elected for one further term. Elections take place every two years.
- Co-opted Trustees are subject to a fixed-term appointment of two years, renewable a maximum of twice.

- The Chair of Trustees is selected by the Board of Trustees following a public recruitment and selection process.

The Board of Trustees meets four times a year, including one meeting focusing on trustee development. This is part of the wider induction and training process that is in place for Trustees, which includes consideration of governance, Board operations, the role of Trustees, organisational strategy, the CMS ethos and risk management.

During the year the Board had four sub-committees, each with specific terms of reference. These are:

- The Finance Committee
- The Fundraising Committee
- The Governance Committee
- Mission Awareness and Theology Group (from September 2021)

The Finance Committee reviews finance, facilities and information technology (IT). In this the committee is advisory, making recommendations to the whole Board. For the more technical areas of accounting, auditing, investment, pensions and property, the committee particularly helps the Board of Trustees to align decision making with expertise and knowledge.

The purpose of the Fundraising Committee is to advise the charity's fundraising team in the use of the most effective and efficient methods, and to ensure regulatory compliance, particularly in the use of data, public communications and fundraising methods. In this the committee is advisory, making recommendations to the whole Board.

The Governance Committee reviews the effectiveness of the governance system and the human resources (HR) function, and assists in the nomination and selection of Trustees and principal officers.

The purpose of the Mission Awareness and Theology Group is to ensure that trustees understand and are aware of the theology that forms the foundation of CMS strategy, and to inform the Board on developments and learnings in missiology and how these may impact our work.



## The Board of Trustees

The Trustees of CMS are also its legal company directors. A list of the trustees who served during the year and up to the date of signing the financial statements is included below.

Trustee	Governance committee	Finance committee	Fundraising committee	Mission Awareness and Theology group
Mr Charles Clayton (Chair, re-elected for another term)	✓	✓	✓	
Rev Canon Andrew Bowerman	✓			✓ (Chair)
Dr Ian Bromilow (to 24 03 2022)	✓	✓	✓	
Mr Beauman Chong				✓
Mr Peter Hyatt (to 31 12 2021)		✓		
Mrs Rini Ingleby (to 24 03 2022)				✓
Rev Canon John Kafwanka (from 01 01 2022)				
Dr Anne Keene			✓ (Chair)	
Mrs Fiona Lambert			✓	
Mrs Chloe Louter (from 01 01 2022)				
Dr Kevin McKemey				✓
Dr Salim Munayer (to 31 12 2021)				✓
Rev Jane Shaw (to 31 12 2021)	✓			
Mr John Stansfeld	✓ (Chair)	✓		
Mr Simon Upcott		✓ (Chair)		
Rev Ian Wallace (to 31 12 2021)	✓			

The Chair of Trustees is responsible for ensuring the members of the Board of Trustees collectively contribute the broad range of skills and experience necessary for its effectiveness. The Trustees are responsible for developing strategic vision, articulating policy, managing risk and ensuring effective governance. The Board is assisted in implementation of policies and strategies by the chief executive officer who is supported by the wider CMS Senior Leadership Team. In addition to Trustees, the other sub-committees have additional co-opted members in attendance. Andrew Clark and Anne Maxfield attended the Finance Committee. Andrew Barton attended the Fundraising Committee.



## CMS Senior Leadership Team

<b>Chief Executive Officer</b>	Mr Alastair Bateman
<b>Deputy Chief Executive Officer</b>	Mrs Debbie James
<b>Director of International Mission</b>	Canon Andy Roberts (from September 2021)
<b>Director of Mission Transformation</b>	Mrs Debbie James
<b>Director of Mission Education</b>	Mr Jonny Baker
<b>Director of Fundraising for Mission</b>	Mr Jim Barker
<b>Director of Finance and Corporate Services</b>	Mr Charles Walker (to January 2022)
<b>Director of Finance and Corporate Services</b>	Mrs Becky Morris (from March 2022)

The Chief Executive Officer is responsible to the Board of Trustees for the management of CMS. He leads the Senior Leadership Team (SLT), which is shaped around the following responsibilities:

- International Mission – responsible for CMS engagement in international mission in partnership with churches and other agencies of mission worldwide, including members of the CMS Mission Network
- Mission Transformation – connecting with and supporting CMS members and churches enabling them, in a variety of ways, to engage in mission both globally and locally
- Mission Education – overseeing the selection and formation of people in mission, both as pioneers and as mission partners
- Fundraising – broad base fundraising from individuals, churches, trusts and major donors
- Finance and Corporate Services – supporting CMS with expertise in finance, ICT, HR, facilities and legal compliance

## Key Management Personnel Remuneration Policy

The Board of Trustees and the SLT are the key management personnel of CMS, in charge of directing and operating the charity. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in Note 15 to the financial statements.

Salaries of all staff, including the SLT, are reviewed annually taking inflation and the overall financial position of CMS into consideration. Remuneration levels are also benchmarked with Croner's charity pay and benefits report every four to five years to ensure that the level of remuneration set for key management is in line with roles in similar size organisations. The next benchmarking exercise has been delayed because of the impact of COVID-19, and is now due to be finalised in 2022.



## Fundraising

---

CMS has three sources of donation income to sustain its mission, without which CMS could not carry out its work. These are: Churches, Individuals and Trusts. The income from these sources is split 36 per cent Churches (2021: 36 per cent), 58 per cent Individuals (2021: 59 per cent) and 6 per cent Trusts (2021: 5 per cent). The Trustees are grateful for the faithful and committed support from them making CMS's work possible. We thank, inform and engage with our donors regularly, which we see as a key factor in retaining supporters. There is also income from legacies, kindly left to Church Mission Society by supporters in their will. This equates to between 15 and 30 per cent of our total income in any one year. The balance is from other income such as education fees and trading income. During the year CMS spent £709,000 (7.5 per cent of total income) on fundraising activity (2021: £733,000, 8.6 per cent) and the majority of this effort concentrated on raising support for CMS mission partners.

We are pleased to say that we are registered with the Fundraising Regulator and fully comply with the Fundraising Code of Practice. We have worked hard to ensure we protect and work in the interest of supporters who might be seen as vulnerable, through old age or illness, and have developed policy and procedures to ensure we continue to work in their best interest.

In 2021–22 we had a total of five complaints relating to our fundraising activity (2020–21: 6). We have appropriately resolved each one with the people raising the complaints and have made changes to our procedures where necessary.

Overall, given the schedule of fundraising activity in 2021–22, we consider this a very low level of complaint, as we have a mailing base of over 10,000 for our main publications and 6,000 for our fundraising appeals.

## Use of Volunteers

---

Church Mission Society is a membership society and relies heavily on the voluntary support of its members and others as community members, Trustees and committee members, in local members' groups, in mission service globally and locally as advocates for CMS in churches, and working with staff teams.

## Public Benefit

---

In compiling this report, Trustees have given due regard to the public benefit guidance as issued by the Charity Commission. As "a community of people in mission obeying the call of God to proclaim the gospel in all places and to draw all peoples into fellowship with the Lord Jesus Christ", CMS works out its Public Benefit in a number of ways.

CMS believes the Christian faith is of benefit to society, and individuals, bringing a vision of transformation for peace and social harmony which grows from what Christians believe is God's ultimate purpose: to bring all things into unity and perfection in Jesus Christ. People are likely to become disciples of Jesus if Christians "live a Christ-like life amongst them, share the good news of Jesus, demonstrate God's love and prayerfully expect the Spirit's power to transform individuals, communities and whole nations". CMS seeks to demonstrate this benefit through its wide range of mission activities both in the UK and internationally as detailed throughout the Strategic Report.

## Grants

---

As shown in the financial review and Note 13, grant expenditure makes up a significant amount of CMS expenditure. Project proposals received from partner organisations are subject to a formal approval process, which looks at issues such as the alignment, capacity and structure of the partner organisation. An agreed monitoring process is undertaken during the course of the partner spending the funds, and this includes reviews and evaluation of financial and narrative reports.

## Risk Management Policy and Internal Control

---

The Trustees regularly review the internal and external risks facing CMS. A formal risk management process has been developed and the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. They have also considered the controls in place for these risks and have identified any necessary areas for action. This includes the regular review of CMS's financial position and internal control



environment. CMS operates a comprehensive annual planning and budgeting system and any significant changes to these plans are subject to the specific approval of senior management and Trustees. The financial reporting system compares results with these plans on a monthly basis.

Current risks and the corresponding mitigating controls are set out below, in no order of priority:

### ***Income and costs***

As a charity, CMS is dependent on the continuing financial support of its donors. Donation income was under budget in 2021-22, and the full impact of COVID-19 and the economic squeeze is still unknown and it may well have a significant impact on donation income in 2022-23. We have systems in place to be able to monitor income very closely throughout the year. Furthermore, we significantly reduced our cost base in 2021-22 where we could, in areas such as travel, conferences, festivals and more.

### ***Pensions***

CMS's defined benefit schemes are open to risks on their liabilities and assets as a result of changes in life expectancy, inflation, discount rates, future salary increases and the value of investments.

The impact of COVID-19 during 2020 did have a detrimental effect on the funding levels of the defined benefit schemes but this has since recovered in full. On the CMS scheme funding levels have remained consistent and above target during 2021-22 as a result of it being fully hedged to interest rate and inflation movements.

The impact of any negative movements in the pension scheme deficit is likely to result in increased payments from CMS. These schemes are now closed to new members and closed to future accrual. CMS works with the pension scheme Trustees, its investment managers and its own actuarial consultants to understand and mitigate these risks wherever possible.

### ***COVID-19 Impact***

The potential impact of COVID-19 on our operations, staff welfare and running CMS House was significant. The Crisis Management Team (CMT) was convened in 2020 and continued to meet regularly throughout 2021 to manage the crisis and respond to the rapidly changing government regulations. In 2021-22 the Health & Safety (HS) committee continued to meet weekly to monitor staff well-being (both in the UK and abroad), and to ensure CMS House was both safe for the reduced number of staff working there and compliant with government guidelines.

### ***Reputation***

Damage to reputation is a risk for any organisation and particularly important for a charity. One key area in this regard is safeguarding. The Board reviews and approves the CMS safeguarding policy every year and significant work has been undertaken on this during the year to ensure both our policy and practice continue to comply with the charity commission guidance on safeguarding. During 2021-22 CMS continued to increase the budget allocation to safeguarding given its strategic importance.

### ***Critical Incidents***

In response to the increasing awareness of the security issues faced by CMS, robust security procedures have been put in place, security training has been rolled out to relevant high-risk personnel and the CMT, with clear contingency plans for emergencies, has been put in place. During 2021-22 further training took place for both the SLT and Trustees.



# Financial Review

**The report and financial statements of Church Mission Society Group (CMS)** consolidates the results of Church Mission Society, The Church Mission Society Trust, The South American Mission Society (SAMS) and CMS House Enterprises Ltd.

The financial context within which CMS operates continues to be challenging, and we are alert to the possible effect of rising inflation and a squeeze on household budgets on donors and their giving patterns. Fundraising in the charitable and mission agency sectors has been, and we suspect will continue to be, competitive. Although Group funds increased by £8m in the year from £21m to £29m, this is mostly the result of revaluations of pension schemes and fixed assets, plus property sales, with a decrease year on year in donations income.

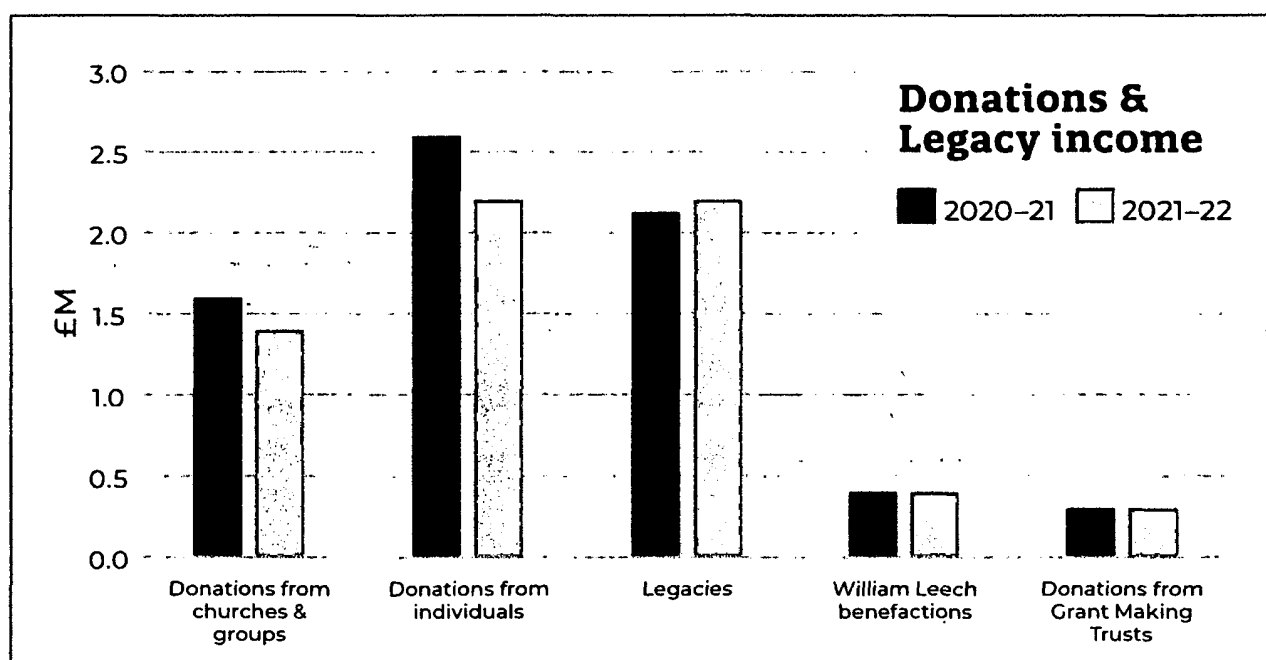
The review below provides some more detailed analysis.

## Income

Total income for the year was £9.4m (2021: £8.5m), an increase of £922,000 from the previous year. This is largely due to additional income from one-off property sales and increased investment income offsetting lower income from individuals.

Donations and legacy income (shown in the chart

below) had included an exceptional urgent appeal for COVID-19 in 2020–21 – in 2021–22, without any urgent appeals, this income decreased by £435,000 to £6.5m (see Note 3). Donations from churches reduced by £159,000 in the year. This reduction in church income is partly as a result of a continued reduction in mission partner numbers during the year, but also reflects the negative impact of COVID-19 on the income of many churches supporting CMS, which reduced their ability to give to mission agencies such as CMS. Donations from trusts remain consistent with prior year. The results also clearly show the importance of legacy income within CMS, representing 24 per cent (2021: 25 per cent) of the overall income during this financial year. The Trustees are extremely thankful for the generosity of those who make legacy gifts – often following a lifetime of faithful, prayerful service to God including support of CMS's work. Such gifts are important for sustaining our efforts to follow Jesus to the edges. The Trustees are also grateful for the donations received from two William Leech charitable trusts.



## Charitable Activity Expenditure

Total expenditure amounted to £7.5m (2021: £7.5m). Overall there has been a very small decrease of £19,000 in total expenditure. The chart below shows how this is spent across our areas of work.

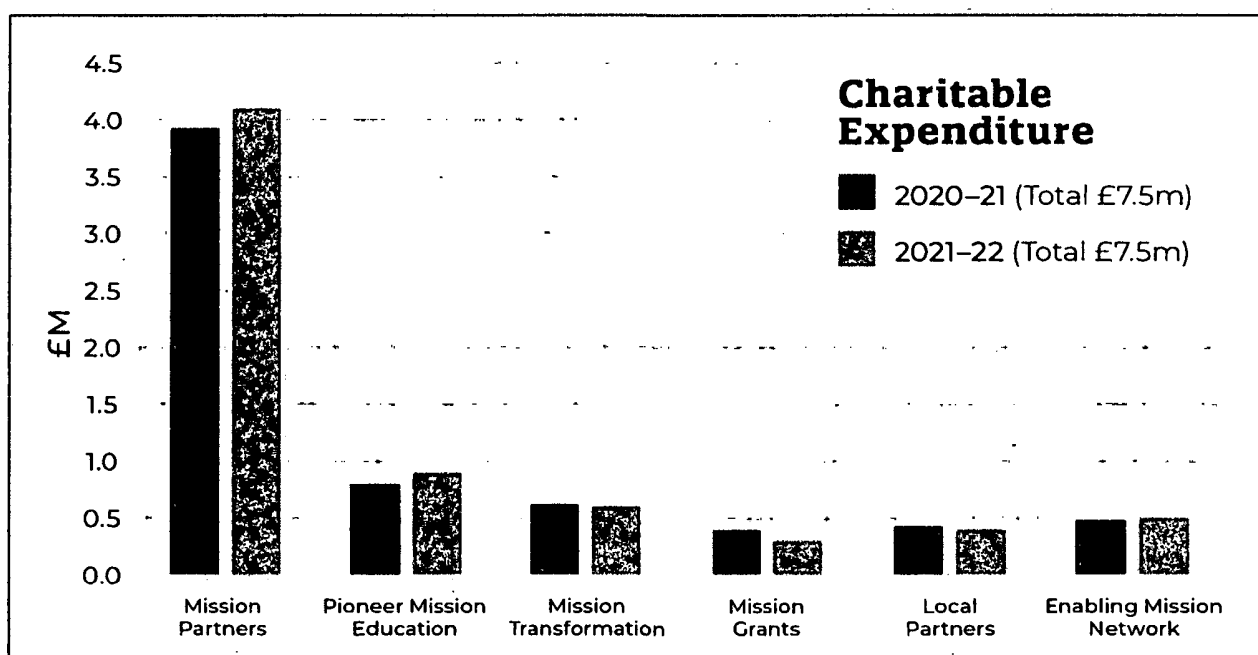
The recruitment, training and support of mission partners is CMS's most significant area of operation comprising 55 per cent of total expenditure. The majority of this expenditure supports 110 long term mission partners working in a range of activities in 37 different countries. In addition CMS has a local partner programme, with total expenditure of £0.4m, which supports 75 local mission leaders around the world.

Mission grants expenditure totalled £0.2m on 32 projects that CMS supports around the world (see Note 13). Grants totalling £0.4m are also paid to CMS-Africa and Asia-CMS as part of CMS's Enabling Mission Network activity.

The other main areas of expenditure are the CMS Pioneer Mission Education work (£0.9m) and the

Mission Transformation work (£0.6m). Expenditure within the pioneer mission education team relates to the recruitment and training of mission partners, and teaching and support of our students on the Pioneer Mission Leadership Training programme. This has primarily involved running the programme, online for most of this financial year, but it also includes the work being undertaken by CMS pioneer hubs. The Mission Transformation work involves resourcing and mobilising the church in the UK and the CMS community into mission. The work this year has included our communications team preparing to launch our new brand, which will help us to communicate our new vision for mission in the UK and around the world. The CMS community ran conferences in person and online, connecting supporters with people in mission. The Partnership for Missional Church process helped many churches reconnect with communities and the team have begun developing a hybrid model, whereby churches still have opportunities to meet together but with improved online connectivity.

The breakdown opposite shows the proportions spent on each activity.

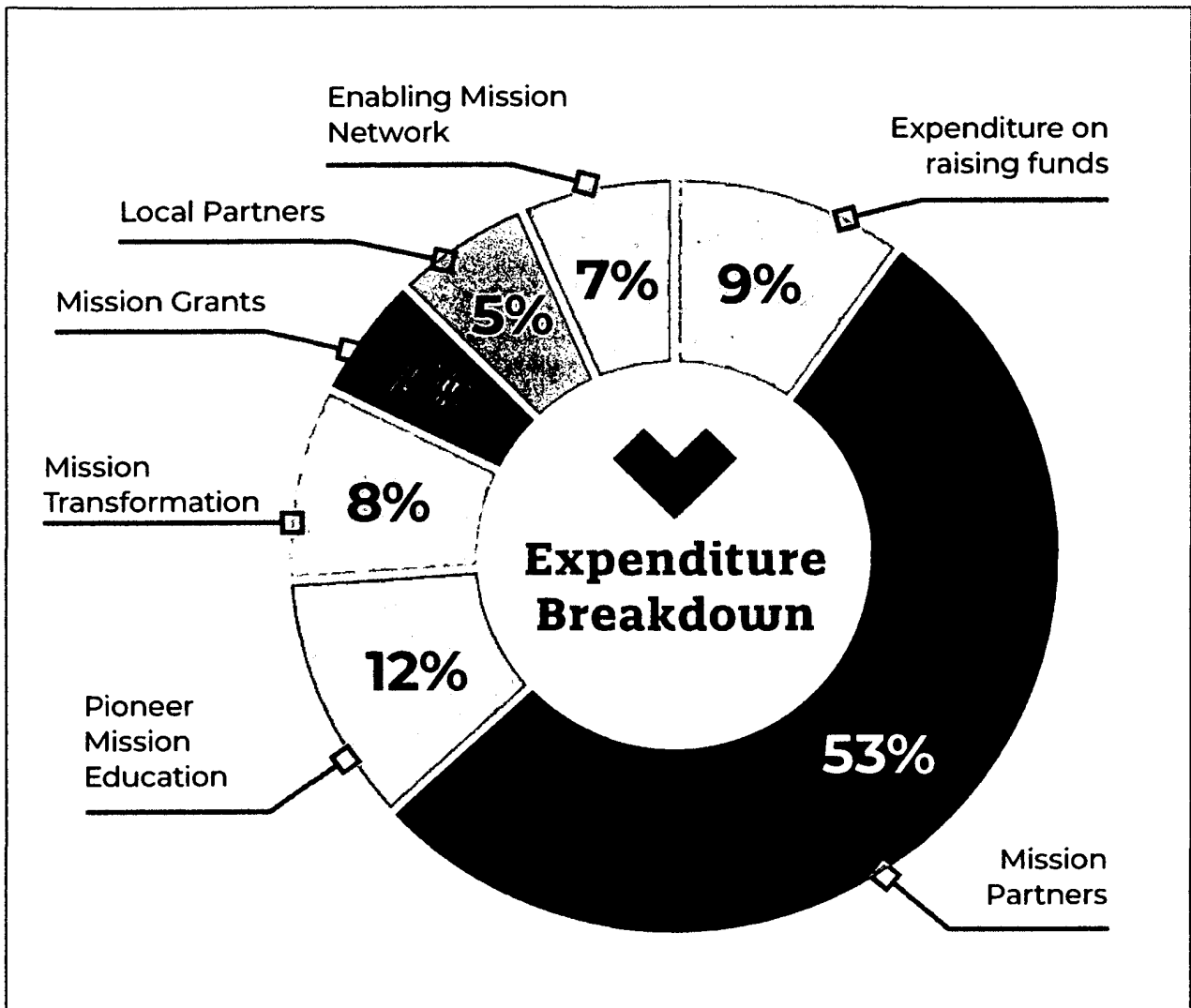


## CMS Defined Benefit Pension Scheme

At the year-end the net liability recognised in the balance sheet relating to the CMS Pension Scheme (Defined Benefit Scheme) was £nil (2021: £6.6m net liability) as measured in accordance with FRS 102.

The FRS102 valuation initially resulted in a surplus of £1.55m which has been restricted to £nil as it is unlikely that CMS would be able to benefit from this.

The principal reasons for the improvement in the balance sheet position over the year was the decrease in liability due to changes in the financial and demographic assumptions. An increase in the discount rate due to a rise in corporate bond yields



and changes to mortality assumptions contributed to a £7.9m decrease in the present value of the Scheme's liabilities from £89.3m to £81.4m (see Note 25A). The value of the Scheme's assets rose by £0.3m from £82.7m to £83.0m as a result of market gains. The impact of this movement in net liability is shown as an actuarial gain of £6m in the charity's Statement of Financial Activities (SOFA).

The recovery plan is based on the triennial valuation of the Scheme as at 31-March 2019, which showed a deficit of £8.1m. This deficit is being paid off over a maximum of 14 years. Contributions in the year to 31 January 2022 totalled £1,108,000 (2021: £1,095,000) in accordance with the recovery plan. Full details of pension liabilities and the recovery plan can be found in Note 25. Core contributions made by CMS have increased to £519,000 this year, and will increase by 2 per cent each year until 2035. In addition, CMS contributes £232,000 per year to the administration expenses of the scheme.

## Church of England Defined Benefit Scheme

CMS Group has active members in the Church of England Funded Pension Scheme (also known as the Clergy Scheme) (see Note 25B) and deferred members and pensioners previously employed by SAMS in the Church of England Defined Benefit Scheme (DBS) within the Church Workers Pension Fund (CWPF) (see Note 25C) which are both multi-employer schemes.

The Group is grateful for the contributions paid by the Archbishops' Council, which amounts to some £229,000 for 17 active members of the Clergy Scheme.

The latest actuarial valuation of the CWPF Scheme was that conducted in December 2019, and showed a deficit of £1.33m for the SAMS portion of the

Scheme. As a result a new recovery plan was agreed in December 2020, under which administration expenses of £17,500 will be paid per year and annual deficit payments of £182,533 will be paid for 7 years from 1 April 2021. The next actuarial valuation of the scheme is at 31 December 2022.

In accordance with FRS 102, SAMS includes a provision in the balance sheet for its obligations to make deficit payments as this is a multi-employer scheme. The provision for 2022 was £1.1m (2021: £1.5m).

## Investment policy and review of investment performance

CMS manages its investments according to the CMS Statement of Investment Principles and the Trustees have authority to invest the monies of the Group, not immediately required, in such investments as they think fit. The Statement of Investment Principles includes details of CMS's socially responsible investment policy.

The Trustees have delegated the day-to-day management of the CMS investment portfolio to Cazenove Capital. The investment manager's delegated authority is operated in accordance with the CMS Statement of Investment Principles.

As at 31 January 2022, CMS had £4.3m (2021: £4.0m) of listed investments, £10.8m (2021: £11.9m) of unlisted investments and £25,000 (2021: £0.2m) of cash held within the investment portfolio. This total of £15.1m of investments includes £9.5m of endowed funds where the capital is not available to be spent. Further details of investments can be found in Note 17 of the financial statements. Income from the investment portfolio of CMS contributed to a total investment income of £1.7m in the Statement of Financial Activities (2021: £0.9m). Further details of the make up of this investment income can be found in Note 6 of the financial statements. The net loss on investments in 2021–22 was £1.1m (2021 gain of £1.8m). This was dominated by a decrease in market value of investments held by William Leech (Investments) Ltd alongside grants made in the year. During the year Cazenove Capital, who manage listed holdings, attended the Finance Committee to discuss the performance of CMS's listed investment portfolios, and the CMS Trustee representative on the Board of Directors of William Leech Investments participates in the review of performance of the investments managed by that entity.

## Movement in funds

Taking CMS's funds in total, income exceeded expenditure by £0.84m during the year ended 31 January 2022. In addition there was an £0.83m gain on revaluation of fixed assets and an actuarial gain on the two Pension Schemes of £6.3m. The overall position was therefore a net increase in total reserves of £8m.

## Reserves Policy and Financial Position Unrestricted: General Funds (Free Reserves)

The reserves policy is reviewed annually, by the Trustees, in light of the specific risks faced by the charity. In 2022–23 CMS holds unrestricted general funds (free reserves) for the following reasons:

- To contribute to the increase in pension repayments following the 31/3/2019 triennial valuation
- To allow for falls in our donation income as a result of the economic squeeze
- To act as a buffer while we move from a deficit operational budget to a break even one by 2024–5
- To allow for any unbudgeted costs, in particular relating to a mission partner emergency situation
- To fund any one-off costs or investments required from the Isaiah Project strategic work
- To fund capital expenditure in 2022–23, primarily on CMS properties

A separate calculation has been made against each of the above factors. The calculation assesses the specific risks and details the reserve required by working out the impact on reduced income or required increase in expenditure. For example, the capital expenditure reserve simply reflects the required expenditure on CMS properties and equipment for the upcoming year. These risks are specific to CMS and will change each year. As such the overall target is reviewed, adjusted and approved annually by the Trustees.

Based on these calculations, the 2022–23 overall free reserve target for CMS is £3.5m (2020–21: £3.6m). The free reserves at 31 January 2022 are £3.544m.



## **Endowment Funds**

---

Included in the balance sheet are Endowment Funds totalling £9.5m, the capital of which is not available to be spent.

## **Restricted Funds**

---

The reserves policy for restricted funds is for sufficient assets to be held to meet the obligations of each fund and this is the case as at 31 January 2022.

## **Designated Funds**

---

During the year the Trustees have set aside funds from the General Fund for unrestricted tangible fixed assets to ensure the general reserves policy is not skewed by holding these funds (see Note 24).

Shares in William Leech (Investments) Limited purchased before 15 October 1996 are also included within the designated fund following receipt of legal advice confirming their status in June 2016.

# Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

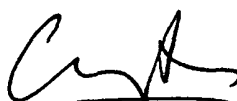
## In so far as each of the Trustees is aware:

- there is no relevant audit information of which the company's auditor is unaware
- each of the Trustees has taken all steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

## Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

The Trustees' Report, including the strategic report on pages 3 to 24, was approved by the Board of Trustees on 23 June 2022 and signed on their behalf by:



Charles Clayton – Chair of Trustees



# Independent Auditor's Report to the Members and the Trustees of Church Mission Society

The report and financial statements of Church Mission Society group (CMS) consolidates the results of Church Mission Society, The Church Mission Society Trust, The South American Mission Society (SAMS) and CMS House Enterprises Ltd.

## Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2022 and of the group's income and receipts of endowments 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

## Basis for opinion

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.



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

## Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws

and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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



## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 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 the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Lyon  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
Reading

Date: 2022 26 July 2022

# Consolidated Statement of Financial Activities

FOR THE YEAR ENDED 31 JANUARY 2022  
(Incorporating an Income and Expenditure Account)

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:									
Donations and legacies	3	2,289	3,999	231	6,519	2,998	3,731	225	6,954
Charitable activities	4	237	73	-	310	207	83	-	290
Other trading activities	5	172	-	-	172	150	-	-	150
Investments	6	1,677	50	-	1,727	861	52	-	913
Other	7	600	115	-	715	110	104	-	214
<b>Total income</b>		<b>4,975</b>	<b>4,237</b>	<b>231</b>	<b>9,443</b>	<b>4,326</b>	<b>3,970</b>	<b>225</b>	<b>8,521</b>
Expenditure on:									
Raising funds	9	624	69	16	709	670	46	17	733
Charitable activities									
Mission Partners	10	1,093	2,997	-	4,090	1,064	2,855	-	3,919
Pioneer Mission Education	10	798	66	-	864	720	120	-	840
Mission Transformation	10	465	97	-	562	501	142	-	643
Mission Grants	10	106	220	-	326	92	349	-	441
Local Partners	10	205	199	-	404	226	191	-	417
Enabling Mission Network	10	269	232	-	501	369	113	-	482
<b>Total charitable expenditure</b>		<b>2,936</b>	<b>3,811</b>	<b>-</b>	<b>6,747</b>	<b>2,972</b>	<b>3,770</b>	<b>-</b>	<b>6,742</b>
<b>Total Expenditure</b>	<b>10,11</b>	<b>3,560</b>	<b>3,880</b>	<b>16</b>	<b>7,456</b>	<b>3,642</b>	<b>3,816</b>	<b>-</b>	<b>7,475</b>
<b>Net gains/(losses) on investments</b>		<b>(440)</b>	<b>-</b>	<b>(705)</b>	<b>(1,145)</b>	<b>624</b>	<b>4</b>	<b>1,136</b>	<b>1,764</b>
<b>Net income/(expenditure)</b>		<b>975</b>	<b>357</b>	<b>(490)</b>	<b>842</b>	<b>1,308</b>	<b>158</b>	<b>1,344</b>	<b>2,810</b>
Transfers between funds	24	6	(6)	-	-	(25)	25	-	-
Gains on revaluation of fixed assets		827	-	-	827	-	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	25	6,035	-	-	6,035	(3,330)	-	-	(3,330)
Other gains/(losses) on pension scheme deficit reduction provision	25	-	257	-	257	-	(56)	-	(56)
<b>Net movement in funds</b>		<b>7,843</b>	<b>608</b>	<b>(490)</b>	<b>7,961</b>	<b>(2,047)</b>	<b>127</b>	<b>1,344</b>	<b>(576)</b>
<b>Total funds brought forward</b>		<b>9,146</b>	<b>2,221</b>	<b>10,029</b>	<b>21,396</b>	<b>11,193</b>	<b>2,094</b>	<b>8,685</b>	<b>21,972</b>
<b>Total funds carried forward</b>		<b>16,989</b>	<b>2,829</b>	<b>9,539</b>	<b>29,357</b>	<b>9,146</b>	<b>2,221</b>	<b>10,029</b>	<b>21,396</b>

The accompanying notes are an integral part of this Statement of Financial Activities (SOFA). All gains and losses arising in the year relate to continuing activities.

# Consolidated and Charity Balance Sheet

AS AT 31 JANUARY 2022

Company Number 6985330

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
<b>Fixed assets</b>					
Tangible fixed assets	16a	6,733	6,920	6,733	6,920
Investments: Unrestricted		5,620	6,067	5,620	6,067
Investments: Restricted and Endowment		9,513	10,009	9,513	10,009
	17	15,133	16,076	15,133	16,076
		<b>21,866</b>	<b>22,996</b>	<b>21,866</b>	<b>22,996</b>
<b>Current assets</b>					
Property held for sale	16b	1,220	446	1,220	446
Stock		-	1	-	-
Debtors	19	468	793	450	799
Cash at bank and in hand		8,241	6,712	7,565	6,068
		<b>9,929</b>	<b>7,952</b>	<b>9,235</b>	<b>7,313</b>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	20	(1,372)	(1,419)	(1,334)	(1,447)
<b>Net current assets</b>		<b>8,557</b>	<b>6,533</b>	<b>7,901</b>	<b>5,866</b>
<b>Total assets less current liabilities</b>		<b>30,423</b>	<b>29,529</b>	<b>29,767</b>	<b>28,862</b>
<b>Net assets excluding pension assets or liability</b>		<b>30,423</b>	<b>29,529</b>	<b>29,767</b>	<b>28,862</b>
Defined benefit pension scheme (liability)	25	(1,066)	(8,133)	-	(6,629)
<b>Net assets</b>		<b>29,357</b>	<b>21,396</b>	<b>29,767</b>	<b>22,233</b>
<b>The funds of the charity:</b>					
Unrestricted: General fund	24	3,544	3,572	3,544	3,573
Unrestricted: Designated funds	24	13,445	12,203	13,445	12,203
Unrestricted: Pension deficit	24	-	(6,629)	-	(6,629)
<b>Unrestricted funds</b>		<b>16,989</b>	<b>9,146</b>	<b>16,989</b>	<b>9,147</b>
Restricted funds excluding pension deficit	24	3,895	3,725	3,239	3,057
Restricted pension deficit	24	(1,066)	(1,504)	-	-
<b>Restricted funds</b>		<b>2,829</b>	<b>2,221</b>	<b>3,239</b>	<b>3,057</b>
<b>Endowment funds</b>	24	<b>9,539</b>	<b>10,029</b>	<b>9,539</b>	<b>10,029</b>
	24	<b>29,357</b>	<b>21,396</b>	<b>29,767</b>	<b>22,233</b>

The accompanying notes are an integral part of this Balance Sheet. The financial statements on pages 29 to 64 were approved by the Board of Trustees and authorised for issue on 23 June 2022 and signed on their behalf by:



Charles Clayton – Chair of Trustees

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 JANUARY 2022

## Reconciliation of net income to the net cash flow from operating activities

	2022 £'000	2021 £'000
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	842	2,810
Adjustments for:		
Investment income	(1,727)	(913)
Net losses/(gains) on investments	1,145	(1,764)
Depreciation charge	245	255
Decrease in stock	1	-
Decrease/(increase) in debtors	257	(67)
(Decrease)/increase in creditors	(47)	298
Decrease in pension scheme deficit reduction provision	(181)	(192)
Net charge for defined benefit pension scheme	(594)	(611)
Profit on disposal of freehold property	(498)	-
Profit on disposal of fixtures, fittings and equipment	-	(1)
Gift of shares	(6)	-
Net cash used in the Group's operating activities	(563)	(185)

## Statement of cash flows

	Note	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash used in operating activities		(563)	(185)
Cash flows from investing activities:			
Dividends, interest and other income from investments		1,796	849
Purchase of assets held for sale		(270)	-
Purchase of tangible fixed assets		(62)	(44)
Proceeds from sale of freehold fixed assets and assets held for sale		824	-
Purchase of investments		(1,320)	(4,655)
Proceeds from sale of investments		1,124	4,459
Net cash provided by investing activities		2,092	609
Change in cash and cash equivalents in the year		1,529	424
Cash and cash equivalents at the beginning of the year	29	6,712	6,288
Cash and cash equivalents at the end of the year	29	8,241	6,712

Cash and cash equivalents comprises the amounts shown in the Balance Sheet as "Cash at bank and in hand", and includes £115,000 as at 31 January 2022 relating to cash held in an endowment fund (2021: £109,000).



# Notes to the Financial Statements

AT 31 JANUARY 2022

## 1. Charity information

Church Mission Society is a registered charity in England and Wales (registered charity number 1131655), a registered company in England and Wales (registered number 6985330) limited by guarantee and is registered as a charity in Scotland (charity number SC047163). CMS does not have share capital and has approval to omit the word "Limited" from its name. The members of the company are the Trustees and others as defined in CMS's Articles of Association. In the event of CMS being wound up the liability in respect of the guarantee is limited to £1 per member.

Church Mission Society was incorporated on 8 August 2009 and registered as a charity on 16 September 2009. CMS was incorporated to effect the merger between The Church Mission Society Trust (registered charity number 1131655-1 England and Wales) and The South American Mission Society (registered charity number 221328 England and Wales).

The Church Mission Society Trust became a subsidiary of CMS under a scheme, agreed with the Charity Commission in 2010, enabling this to take place. The scheme involved a replacement of The Church Mission Society Trust's objects to mirror those of CMS, and all Trustees of The Church Mission Society Trust resigned and were replaced by CMS as corporate Trustee. As part of the scheme, the name of that charity was changed to The Church Mission Society Trust (formerly Church Mission Society) and a uniting direction was put in place for The Church Mission Society Trust to be part of CMS for accounting and legal purposes. Therefore the disclosures in these financial statements for "the Charity" include CMS and The Church Mission Society Trust.

CMS is the sole corporate member of The South American Mission Society with the same group of Trustees common to both societies and accordingly The South American Mission Society (SAMS) is considered to be a subsidiary undertaking of CMS. Further information about CMS's subsidiary undertakings, including SAMS and CMS House Enterprises Ltd, is included in Note 27.

## 2. Accounting policies

### *Basis of preparation*

The financial statements have been prepared under the historical cost convention with the exception of investments that are included at a current market value.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), with the Statement of Recommended Practice "Accounting and Reporting by Charities applicable to charities preparing accounts in accordance with FRS 102" (effective 1 January 2015) and with the Companies Act 2006.

Church Mission Society constitutes a public benefit entity as defined by FRS 102.

### *Assessment of going concern*

The Trustees have reviewed the financial position and forecasts of the charity as we emerge from the impact of COVID-19. There are uncertainties around donation income which still remain but the Trustees have reviewed both forecasts and different reserve scenarios showing that the level of unrestricted reserves combined with the ability to reduce expenditure where needed means they have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

### *Accounting estimates and judgements*

The preparation of the financial statements in accordance with FRS 102 requires the Trustees to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The areas involving a higher degree of judgement, or areas where assumptions and estimates were significant to the financial statements, are disclosed in Note 28.



# Notes to the Financial Statements

AT 31 JANUARY 2022

## ***Basis of consolidation***

The consolidated financial statements of the CMS Group incorporate the financial statements of the Charity (CMS and The Church Mission Society Trust) and its subsidiary undertakings.

The Trustees have taken advantage of the exemption conferred by S408(3) of the Companies Act 2006 and accordingly present a consolidated Statement of Financial Activities only. In order to comply with the Charities SORP, the gross income and net incoming resources for the Charity are disclosed in Note 24.

## ***Donations, legacies and other income***

Income is recognised in the period in which the Charity has entitlement to the income, when it is probable that the income will be received and the amount of the income can also be measured reliably. Where income is received in advance of providing goods and services the income is deferred until CMS becomes entitled to the income.

Legacy gifts are recognised on a case by case basis following the grant of probate and when the entitlement to the legacy has been established, receipt is probable and amount of the legacy can be measured reliably. In accordance with this policy, legacies are included when the Charity is notified by the Personal Representatives of an estate from which a distribution is to be made and the amount involved can be reliably quantified. Where legacies have been notified to the charity, or the charity is awaiting the grant of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. No value is included where the legacy is subject to a life interest held by another party.

## ***Financial instruments***

Church Mission Society only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value (including any transaction costs) and subsequently measured at their settlement value (which is also the amortised cost). Financial assets held at amortised cost include cash at bank and in hand and the group's trade and other debtors, excluding prepayments. Financial liabilities held at amortised cost include the group's long- and short-term creditors, excluding deferred income.

## ***Investments and investment income***

Investments are initially measured at cost. Listed investments are included at their open market value at the balance sheet date. All gains and losses on investments are taken to the Statement of Financial Activities, including the net gains and losses arising from disposals and revaluations in the year. The income from investments and short-term deposits is accounted for on an accruals basis.

The unlisted investment in William Leech (Investments) Limited is included in the financial statements as the Charity's share of the net asset value at 31 January 2022 (unaudited). The year-end of William Leech (Investments) Limited is 31 March 2022.

The social investment (mixed purpose) in Clean for Good Ltd is included in the financial statements as the Charity's share of the net asset value shown in that company's accounts at 31 January 2022. The year-end of Clean for Good Ltd is 31 March 2022. The investment is not justified wholly by either the financial return or by the contribution it makes to the Charity's aims but by the combination of the two.

## ***Fund accounting and the allocation of income and expenditure by fund***

Income and Expenditure are allocated to three categories of funds: Unrestricted Funds, Restricted Funds and Endowment Funds.

Unrestricted funds are available for use to further the Charity's general purposes and objectives. All income and expenditure associated with the general operation of the Charity has been accounted for within the unrestricted funds, including donations and legacies where the donor attaches no specific conditions. A pension reserve is included within unrestricted funds to reflect the pension liability. Designated funds are a portion of unrestricted funds that have been set aside by the Trustees for a particular project or purpose.

Restricted funds represent income and donations, the use of which has been specified by the donor. Restricted funds are donated for either a particular geographical area or purpose, the use of which is restricted to that purpose or area. Income and expenditure related to CMS's work in South America is shown within restricted funds. A pension reserve is included within restricted funds to reflect the pension liability.



## Notes to the Financial Statements

AT 31 JANUARY 2022

The endowment funds represent assets which have the restriction that the revenue generated by holding the asset is available to spend but the capital itself cannot be spent. Income generated from endowment funds is applied to unrestricted or restricted funds as appropriate.

### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. A liability is recognised when a legal or constructive commitment is entered into by the Charity and so a liability exists.

All expenses, including support costs and governance costs, are classified to the applicable expenditure headings in the Statement of Financial Activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Cost of raising funds comprises those costs incurred in seeking voluntary contributions and in the management of CMS investments.

Governance costs are the costs associated with the governance arrangements of the Charity. Included within this category are costs associated with the strategic as opposed to the day-to-day management of the Charity's activities.

Support and governance costs are allocated across the categories of expenditure on charitable activities and the cost of raising funds. When it is necessary to apportion certain expenses between the different categories of resources expended, this is undertaken on bases which are considered appropriate. For example, in the case of salaries and pensions, these are apportioned on the basis of estimated time spent on these activities. The allocation model is reviewed and updated annually to ensure that the

apportionments properly reflect the activities of the Charity.

Grants payable are recognised during the year in which the Charity enters into a binding commitment to make a grant and this is communicated to the recipient.

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of financial activities with the relevant charitable activity expenditure for the period in which they occurred.

### **Stock**

Stock is valued at the lower of cost and net realisable value.

### **Tangible fixed assets, depreciation and property held for sale**

Tangible fixed assets are shown at their current net book value on an historical cost basis. Assets are capitalised where the value of the asset is greater than £500. The carrying values of tangible fixed assets are reviewed for impairment in the period in which events or changes in circumstances indicate that the carrying values may not be recoverable. Tangible fixed assets are grouped by category and depreciated on a straight-line basis over the following periods (see table below).

Included in Current Assets are two properties which the trustees are actively seeking to sell within the next 12 months. They are held at market value.

Freehold property	30–50 years	Furniture and office equipment	3–10 years
Leasehold property	shorter of 50 years and the period of the lease	Motor vehicles	4 years
Computer equipment	3–5 years		

# Notes to the Financial Statements

AT 31 JANUARY 2022

## **Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

## **Pensions**

The Charity (CMS) and one of its subsidiaries (The South American Mission Society) have members in defined benefit pension schemes, both employees and mission partners. For certain other employees and mission partners the Charity contributes to personal money purchase pension schemes (defined contribution schemes).

### **Defined contribution schemes**

For defined contribution schemes, the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the total of the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **Defined benefit scheme – CMS Pension Scheme**

The CMS defined benefit pension scheme is funded, with the assets of the Scheme held separately from those of the Charity, in Trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the Scheme's liabilities. The resulting defined benefit asset or liability is presented after other net assets on the face of the balance sheet, unless a surplus is not recognised in accordance with FRS 102. The current service cost and net interest cost are allocated to relevant expenditure headings within the Statement of Financial Activities, unless the net interest is a credit in which case it is included in "Other income". The change in the value of assets and liabilities arising from asset valuation, actuarial assumptions and any surplus that is not considered recoverable is recognised within the "gains and losses" categories of the Statement of Financial Activities as "Actuarial gains and losses on defined benefit pension scheme".

### **Defined benefit schemes – multi-employer schemes**

The South American Mission Society (SAMS) participates in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both of which are separate sections of the Church Workers Pension Fund (CWPF). The assets of the funds are held separately from those of the Society.

In both cases, the schemes are considered to be multi-employer schemes as described in Section 28 of FRS 102 and as the Society is unable to identify its share of the underlying assets and liabilities, contributions are accounted for as if the Scheme were a defined contribution scheme. In accordance with FRS 102, the pensions costs charged to the Statement of Financial Activities in the year are the contributions payable towards benefits and expenses accrued in that year, plus any charge in respect of the impact of deficit contributions. Where a provision is recognised in respect of any agreed deficit recovery payments, this liability represents the present value of the deficit contributions agreed as at the accounting date and is presented after other net assets on the face of the balance sheet.

In addition to these schemes the Charity and SAMS participate in the Church of England Funded Pensions Scheme, administered by the Church of England Pensions Board, also known as the Clergy Pension Scheme, which provides pensions for clergy and licensed lay workers. The Church of England Funded Pensions Scheme is a multi-employer defined benefit scheme but the Charity and SAMS are unable to identify their share of the underlying assets and liabilities. No funding liability currently arises for the Charity and SAMS in respect of them.

## **Government Grants**

Grants are accounted for under the performance model as permitted by the charity SORP. Coronavirus Job Retention Scheme (CJRS) grant income is therefore recognised on a straight-line basis over the furlough period for each relevant employee.

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 3. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Donations from churches and groups	158	1,255	-	1,413	172	1,400	-	1,572
Donations from individuals	762	1,461	-	2,223	785	1,815	-	2,600
Legacies	1,115	1,122	-	2,237	1,821	321	-	2,142
William Leech benefactions	174	-	231	405	170	-	225	395
Donations from grant making trusts	80	161	-	241	50	195	-	245
	<b>2,289</b>	<b>3,999</b>	<b>231</b>	<b>6,519</b>	<b>2,998</b>	<b>3,731</b>	<b>225</b>	<b>6,954</b>

Legacies of which CMS has been notified, but not recognised as income, are estimated at £797,000 (2021: £616,000).

### William Leech Benefactions

Grants are received from two charitable trusts administered by the William Leech Foundation Limited (known as the Foundation Trust and the Charity Trust). The income from the Foundation Trust is distributed in equal portions to CMS and four other charities. The income from the Charity Trust is distributed for charitable purposes at the discretion of the Trustee, which has, since 1973, adopted the policy of giving most of the income to the same five charities. The Charity Trust reviews this policy each year.

Following a resolution of the Board of Directors of William Leech Foundation Limited on 15 October 1996, 57 per cent of the grants paid out to the five charities are made on the understanding that they are reinvested in shares in William Leech (Investments) Limited at par, and treated as an addition to the recipient charity's capital funds.

## 4. Income from charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Pioneer Mission Education training	237	-	-	237	207	-	-	207
Partnership for Missional Church training	-	57	-	57	-	80	-	80
Events	-	16	-	16	-	3	-	3
	<b>237</b>	<b>73</b>	<b>-</b>	<b>310</b>	<b>207</b>	<b>83</b>	<b>-</b>	<b>290</b>

## Notes to the Financial Statements

AT 31 JANUARY 2022

### 5. Income from other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Income from sale of books and resources	-	-	-	-	1	-	-	1
Income from property	161	-	-	161	141	-	-	141
Use of conference facilities	11	-	-	11	8	-	-	8
	<b>172</b>	<b>-</b>	<b>-</b>	<b>172</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>150</b>

### 6. Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Income from William Leech (Investments) Limited	1,635	-	-	1,635	812	-	-	812
Investments listed on a recognised stock exchange	34	49	-	83	35	50	-	85
Interest on cash balances	8	1	-	9	14	2	-	16
	<b>1,677</b>	<b>50</b>	<b>-</b>	<b>1,727</b>	<b>861</b>	<b>52</b>	<b>-</b>	<b>913</b>

## Notes to the Financial Statements

AT 31 JANUARY 2022

### 7. Other income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Other income	93	110	-	203	44	88	-	132
Gain on disposal of freehold property	498	-	-	498	-	-	-	-
Gain on disposal of fixtures, fittings and equipment	-	-	-	-	1	-	-	1
Government grants	9	5	-	14	65	16	-	81
	<b>600</b>	<b>115</b>	<b>-</b>	<b>715</b>	<b>110</b>	<b>104</b>	<b>-</b>	<b>214</b>

The government grant income relates to the CJRS furlough scheme claimed from HMRC during the year. This included both staff members and mission partners.

### 8. Operating leases as a lessor

The charity receives rental income from leasing certain residential properties to tenants under non-cancellable operating leases and tenancy agreements. Income received under operating leases is included in the SOFA on a straight-line basis over the period of the lease. At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	2022 £'000	2021 £'000
Not later than one year	78	83
Later than one year and not later than five years	34	41
Later than five years	13	17
	<b>125</b>	<b>141</b>

There are no contingent rents recognised as income.

### 9. Expenditure on raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Cost of generating voluntary income	586	69	-	655	672
Cost of activities for generating funds	25	-	-	25	31
Investment management costs	13	-	16	29	30
	<b>624</b>	<b>69</b>	<b>16</b>	<b>709</b>	<b>733</b>

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 10. Analysis of expenditure

	Direct	Grants	Support Costs	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
<b>Raising funds</b>					
Costs of generating voluntary income	395	-	260	655	672
Cost of activities for generating funds	25	-	-	25	31
Investment management costs	29	-	-	29	30
	<b>449</b>	<b>-</b>	<b>260</b>	<b>709</b>	<b>733</b>
<b>Charitable activities</b>					
Mission Partners	3,433	84	573	4,090	3,919
Pioneer Mission Education	623	-	241	864	840
Mission Transformation	337	-	225	562	643
Mission Grants	83	173	70	326	441
Local Partners	113	184	107	404	417
Enabling Mission Network	73	356	72	501	482
	<b>4,662</b>	<b>797</b>	<b>1,288</b>	<b>6,747</b>	<b>6,742</b>
<b>Total Expenditure</b>	<b>5,111</b>	<b>797</b>	<b>1,548</b>	<b>7,456</b>	<b>7,475</b>

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 11. Support costs by activity

	Finance and ICT £'000	Personnel and Development £'000	Facilities and Premises £'000	Governance £'000	Total 2022 £'000	Total 2021 £'000
<b>Raising funds</b>						
Costs of generating voluntary income	198		55	7	260	282
<b>Charitable activities</b>						
Mission Partners	288	104	164	17	573	638
Pioneer Mission Education	74	36	131	-	241	249
Mission Transformation	69	43	109	4	225	225
Mission Grants	39	-	27	4	70	84
Local Partners	52	-	55	-	107	123
Enabling Mission Network	30	32	6	4	72	69
<b>Total Support Costs</b>	<b>750</b>	<b>215</b>	<b>547</b>	<b>36</b>	<b>1,548</b>	<b>1,670</b>

The support costs are allocated on the basis of an estimate of staff time spent, by each team, on each of the activities.

Governance costs relate to the audit fee of £36,000 (2021: £33,000) and included in Finance and ICT are non-audit fees of £1,000 (2021: £1,000). All fees are shown gross of VAT.

Depreciation of £245,000 (2021: £255,000) is included in support costs.

## 12. Obligations under operating leases

The group's future minimum lease payments on operating leases are as follows:

	2022 £'000	2021 £'000
Within one year	3	3
In two to five years	-	2
After five years	-	-
	<b>3</b>	<b>5</b>

Operating lease charges in the year to 31 January 2022 were £3,000 (2021: £6,000).



# Notes to the Financial Statements

AT 31 JANUARY 2022

## 13. Analysis of grants

By category of charitable expenditure	Grants to Institutions	Grants to Individuals	Total grants in year to 31 January 2022	Total grants in year to 31 January 2021
	£'000	£'000	£'000	£'000
Mission Partners	31	53	84	78
Pioneer Mission Education	-	-	-	3
Mission Grants	157	16	173	217
Local Partners	176	8	184	176
Enabling Mission Network	356	-	356	362
	<b>720</b>	<b>77</b>	<b>797</b>	<b>836</b>

By geographical area	Grants to Institutions	Grants to Individuals	Total grants in year to 31 January 2022	Total grants in year to 31 January 2021
	£'000	£'000	£'000	£'000
Africa	298	7	305	364
Asia	196	9	205	179
Europe, the Middle East and North Africa	126	9	135	135
Latin America	100	52	152	158
	<b>720</b>	<b>77</b>	<b>797</b>	<b>836</b>

Analysis of Grants to Institutions	Nature of grant	Country	Grants to Institutions
			£'000
<b>Africa</b>			
Buigiri School for the Blind	Mission grants for education and disability programmes	Tanzania	26
CMS-Africa	Local Partners	Africa	47
CMS-Africa	Capacity building grant	Africa	4
CMS-Africa	Enabling Mission Network	Africa	200
Other Institutions grants under £10k			21
<b>Total</b>			<b>298</b>



## Notes to the Financial Statements

AT 31 JANUARY 2022

	Nature of grant	Country	Grants to Institutions £'000
<b>Asia</b>			
Asia-CMS	Enabling Mission Network	Asia	155
Asia-CMS	Local Partners	Asia	41
<b>Total</b>			<b>196</b>
<b>Europe, the Middle East and North Africa</b>			
Resurrection Church Beirut	Mission grants for community projects and local partners	Lebanon	29
Diocese of Jerusalem	Community projects	Israel	25
Nasr City Evangelical Church	Capacity grant and local partners	Egypt	25
Other Institutions grants under £10k			47
<b>Total</b>			<b>126</b>
<b>Latin America</b>			
Diocese of Northern Argentina	Mission grants for community projects and local partners	Argentina	23
Other Institutions grants under £10k			77
<b>Total</b>			<b>100</b>
<b>Total Institutional Grants</b>			<b>720</b>

## 14. Staff costs and other employee benefits

	2022 UK Staff	2022 Mission Partners	2022 Total	2021 Total
	£'000	£'000	£'000	£'000
Staff costs				
Salaries and allowances	1,978	1,544	3,522	3,609
Social security cost	193	30	223	219
Employer's pension contributions (Defined contribution)	411	250	661	693
Employer's pension contributions (Defined benefit)	-	85	85	91
Redundancy and relocation costs	37	-	37	-
	<b>2,619</b>	<b>1,909</b>	<b>4,528</b>	<b>4,612</b>

# Notes to the Financial Statements

AT 31 JANUARY 2022

Two employees received emoluments of between £60,000 and £70,000 (2021: one employee).

The total amount of employee benefits received by key management personnel for their services during the year is £393,000 (2021: £385,000). The number of volunteers working for Church Mission Society is 30 (2021: 35). During the year total redundancy payments were £37,000 (2021: £nil). This related to the agreed redundancy costs relating to six staff members who left or were given notice of redundancy during the prior year.

Employees: The average monthly number of employees in the year is analysed by function below:

UK Staff	2022 Number	2021 Number
Raising funds	12	14
Charitable activities	52	55
Governance of the charity	1	1
<b>UK Staff</b>	<b>65</b>	<b>70</b>
Mission Partners	100	108
	<b>165</b>	<b>178</b>

## 15. Trustees' expenses

	2022 £'000	2021 £'000
Expenses incurred by Trustees and reimbursed by Church Mission Society	-	1
Trustees' indemnity insurance cover cost	7	4

The Trustees receive no remuneration for their services, but are reimbursed expenses in respect of travel and accommodation expenses for attending meetings. In 2021-22 two Trustees received expenses (2021: four). Charles Clayton (Chair of Trustees of CMS) also serves as a Director of CMS-Africa (Registered in Kenya). For more details of transactions with CMS-Africa, see Note 22. The aggregate value of donations made to Church Mission Society by Trustees who served as trustees during year to the general fund was £6,000 (2021: £4,000) and to restricted funds £2,000 (2021: £16,000).



## Notes to the Financial Statements

AT 31 JANUARY 2022

### 16. Tangible fixed assets and property held for sale

#### Part A: Tangible fixed assets

The Group and Charity

	Freehold Property	Long Leasehold Property	Motor Vehicles	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost:</b>					
At 1 February 2021	8,307	267	24	1,464	10,062
Additions	-	-	-	62	62
Disposals	(5)	-	-	(49)	(54)
<b>At 31 January 2022</b>	<b>8,302</b>	<b>267</b>	<b>24</b>	<b>1,477</b>	<b>10,070</b>
<b>Depreciation:</b>					
At 1 February 2021	1,911	32	24	1,175	3,142
Charge for the year	173	6	-	66	245
Disposals	(1)	-	-	(49)	(50)
<b>At 31 January 2022</b>	<b>2,083</b>	<b>38</b>	<b>24</b>	<b>1,192</b>	<b>3,337</b>
<b>Net Book Value:</b>					
At 31 January 2021	6,396	235	-	289	6,920
At 31 January 2022	6,219	229	-	285	6,733

- (a) Capital expenditure authorised and contracted but not yet incurred was £nil (2021: £nil).
- (b) The net book value of long leasehold properties at 31 January 2022 includes two leasehold UK properties (2021: 2).
- (c) The net book value of fixtures, fittings and office equipment comprises:

	2022	2021
	£'000	£'000
Fixtures and fittings	159	146
Office furniture	5	8
Computer hardware/software	120	133
Audio and other equipment	1	2
	<b>285</b>	<b>289</b>

#### Part B: Property held for sale

Included in Current Asset investments are two properties which the trustees are actively seeking to sell with a net book value of £1,220,000 (2021: three properties £446,000) within the next 12 months. The properties are valued at market value using external professional valuers. Two of the properties held for sale at 31 January 2021 were sold during the year in addition to one Freehold property. The total profit on sale of the three properties was £498,000 (see Note 7).

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 17. Investments

### The Group and Charity

#### Analysis of Movement in Investments

	Listed	Unlisted	Social	Held as cash	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Market Value:						
At 1 February	3,952	11,938	23	163	16,076	14,116
Additions to investments	1,098	228	-	-	1,326	4,655
Proceeds from disposals	(986)	-	-	-	(986)	(4,383)
Net movement in cash held by investment manager	-	-	-	(138)	(138)	(76)
Net gain/(loss) on investments	216	(1,371)	10	-	(1,145)	1,764
At 31 January	4,280	10,795	33	25	15,133	16,076

#### Unlisted Investments (shown at market value)

	2022 £'000	2021 £'000
<b>Unrestricted Funds</b>		
Ordinary shares – William Leech (Investments) Ltd	3,807	4,347
	3,807	4,347
<b>Endowment Funds</b>		
Ordinary shares – William Leech (Investments) Ltd	6,988	7,591
	10,795	11,938

#### Investments – William Leech (Investments) Limited

Grants are received from two charitable trusts administered by the William Leech Foundation Limited (known as the Foundation Trust and the Charity Trust, Note 3).

In accordance with the wishes of the Directors of the William Leech Foundation Limited, 57 per cent of the voluntary income received in 2021–22 has been invested in shares in William Leech (Investments) Limited. The historical cost of the investment and the reinvestment in respect of the year to 31 January 2022 was as follows:

	2022 £'000	2021 £'000
At historical cost:		
Balance at 1 February	6,994	6,774
Shares purchased at £1 each	228	220
Balance at 31 January	7,222	6,994

The Total Net Assets of William Leech (Investments) Limited at 31 January (unaudited) was £53.9m (2021: £59.7m) comprised of listed securities £46.5m, property £0.5m, other net assets £6.9m.



## Notes to the Financial Statements

AT 31 JANUARY 2022

The Charity is one of five charities which each hold 20 per cent of the issued share capital of the company. CMS's share of the net assets is therefore £10.8m (2021: £11.9m). The Charity has a representative on the board of William Leech (Investments) Limited but this does not give the Charity the ability to control or exert significant influence over the company's day-to-day management or financial policies.

Church Mission Society received legal advice in June 2016 from Winckworth Sherwood that considered whether the shares in William Leech (Investments) Limited should be treated as part of unrestricted funds or endowment funds in the accounts of Church Mission Society. The legal advice received in June 2016 confirmed that the shares purchased after 15 October 1996 should be treated as an addition to capital (endowment funds) and also advised that shares purchased prior to 15 October 1996 could be treated as part of unrestricted funds. The Trustees of Church Mission Society accepted this legal advice in June 2016 and the financial statements continue to be prepared on this basis.

### Social Investment (unlisted shown at market value)

	2022 £'000	2021 £'000
Unrestricted Funds		
Ordinary shares – Clean for Good Ltd at historical cost	30	30
Less: gain/(loss)	3	(7)
	<u>33</u>	<u>23</u>

CMS's current share is 31 per cent of the issued share capital of the company. The Charity has a representative on the board of Clean for Good Ltd.

### Custodian funds

The Group also acts as Custodian Trustee of funds belonging to the Diocese of Uruguay:

	2022 £'000	2021 £'000
Value at 31 January	5	5
	<u>5</u>	<u>5</u>

These funds are not part of the Group's net assets and are not included in the Group's financial statements. At the request of the Diocese of Uruguay they are deposited with CCLA who manage the Central Board of Finance of the Church of England Investment Funds.

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 18. Financial instruments

The Charity has certain financial assets and financial liabilities of a kind that qualify as basic financial instruments. The Charity has the following financial instruments:

	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
<b>Financial assets measured at fair value, through profit and loss</b>				
Unlisted investments	10,828	11,938	10,828	11,938
Other investments	4,305	4,138	4,305	4,138
<b>Financial assets measured at amortised cost</b>				
Cash at bank and in hand	8,241	6,712	7,565	6,068
Amounts due from subsidiaries	-	-	12	8
Other receivables (excluding prepayments)	279	672	249	670
<b>Financial liabilities measured at amortised cost</b>				
Amounts due to subsidiaries	-	-	(17)	(85)
Other creditors due within one year (excluding tax and deferred income)	(1,185)	(1,221)	(1,148)	(1,182)

## 19. Debtors

	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Trade debtors	46	104	38	103
Taxation recoverable	29	30	28	29
Amounts owed by group entities	-	-	12	8
Prepayments	189	121	189	121
Accrued income	117	497	96	497
Other debtors	87	41	87	41
	<b>468</b>	<b>793</b>	<b>450</b>	<b>799</b>



## Notes to the Financial Statements

AT 31 JANUARY 2022

### 20. Creditors

Amounts falling due within one year

	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
Trade creditors	195	144	194	140
Amounts owed to group entities	-	-	17	85
Accruals for grants payable	313	292	313	292
Other accruals	175	288	165	280
Taxes and social security costs	132	110	114	92
Deferred income	55	88	55	88
Other creditors	502	497	476	470
	<b>1,372</b>	<b>1,419</b>	<b>1,334</b>	<b>1,447</b>

Included in "Other creditors" are pension contributions due to the CMS Defined Benefit Pension Scheme of £366,000 (2021: £328,000), pension and administration expenses due to the CWPF Defined Benefit Pension Scheme of £17,000 (2021: £19,000) and pension contributions due to the CWPF Pension Builder 2014 Defined Benefit Pension Scheme of £9,000 (2021: £8,000). In addition, there are pension contributions to the Group's other defined contributions pension schemes of £42,000 (2021: £65,000). All deferred income as at 31 January 2021 was recognised during the year ended 31 January 2022. Deferred income relates to amounts received in advance of entitlement.

### 21. Registered holder

The properties and investments of The Church Mission Society Trust are held in trust in the name of Church Missionary Trust Association Ltd.



## 22. Related party transactions

---

There have been no related party transactions that require disclosure other than transactions with the subsidiary companies, The South American Mission Society and CMS House Enterprises Limited, as set out below:

### **South American Mission Society (SAMS)**

In 2021–22, SAMS charged the Charity (gift from parent entity) with £422,000 (2021: £497,000). This calculation pertains to the amount of restricted funds received by the Charity (Church Mission Society), but relating to mission partners employed by SAMS. Each year, the Charity transfers a gift to SAMS of restricted funds relating to mission partners who are still employed by its legal entity to reflect the income received by the parent charity.

### **CMS House Enterprises Ltd**

In 2021–22 the Charity charged CMS House Enterprises Limited management fees totalling £2,000 (2021: £1,000). These are calculated as a percentage of external conference and catering services income.

In 2021–22 the Charity charged CMS House Enterprises Limited licence fees totalling £600 (2021: £200). These are calculated as a percentage of total conference and catering services room hire income.

In 2021–22 CMS House Enterprises Limited charged the Charity room hire fees totalling £5,000 (2021: £4,000). These fees are based on usage of rooms hired relating to courses run by the Pioneer Mission Education team.

### **CMS-Africa**

Charles Clayton (CMS Chair of Trustees) was appointed Director of CMS-Africa (an independent organisation based in Nairobi, Kenya) in October 2015. During 2021–22 CMS paid CMS-Africa £266,000 (2020–21: £276,000). Included in the amounts paid is £210,000 (2020–21: £220,000) which relates to Mission Support funding, and the remainder is support for the local partner programme plus other grants. Mr Clayton is one of seven Directors.

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 23. Net assets by fund

<b>The Group – 2022</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets	6,522	211	-	6,733
Investments	5,620	89	9,424	15,133
Current assets	6,050	3,764	115	9,929
Less: Current liabilities	(1,203)	(169)	-	(1,372)
Less: Defined benefit pension liability	-	(1,066)	-	(1,066)
<b>Net Assets 2022</b>	<b>16,989</b>	<b>2,829</b>	<b>9,539</b>	<b>29,357</b>
Net Assets 2021	9,146	2,221	10,029	21,396
<b>The Charity – 2022</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets	6,522	211	-	6,733
Investments	5,620	89	9,424	15,133
Current assets	6,030	3,090	115	9,235
Less: Current liabilities	(1,183)	(151)	-	(1,334)
Less: Defined benefit pension liability	-	-	-	-
<b>Net Assets 2022</b>	<b>16,989</b>	<b>3,239</b>	<b>9,539</b>	<b>29,767</b>
Net Assets 2021	9,147	3,057	10,029	22,233
<b>The Group – 2021</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets	6,704	216	-	6,920
Investments	6,067	89	9,920	16,076
Current assets	4,254	3,589	109	7,952
Less: Current liabilities	(1,250)	(169)	-	(1,419)
Less: Defined benefit pension liability	(6,629)	(1,504)	-	(8,133)
<b>Net Assets 2021</b>	<b>9,146</b>	<b>2,221</b>	<b>10,029</b>	<b>21,396</b>
Net Assets 2020	11,193	2,094	8,685	21,972
<b>The Charity – 2021</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets	6,704	216	-	6,920
Investments	6,067	89	9,920	16,076
Current assets	4,312	2,892	109	7,313
Less: Current liabilities	(1,307)	(140)	-	(1,447)
Less: Defined benefit pension liability	(6,629)	-	-	(6,629)
<b>Net Assets 2021</b>	<b>9,147</b>	<b>3,057</b>	<b>10,029</b>	<b>22,233</b>
Net Assets 2020	11,193	3,016	8,685	22,894

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 24. Funds

### Unrestricted Funds: Group

	At 1 February 2021	Income	Expenditure	Net Gain/ (Loss) on Investments	Transfers	Revaluation of fixed assets	Actuarial Gain on Defined Pension Scheme	At 31 January 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General fund	3,572	3,775	(2,797)	101	(1,107)	-	-	3,544
Tangible Fixed Asset fund (Designated)	7,150	-	(240)	-	5	827	-	7,742
William Leech Fund (Designated)	4,348	-	-	(541)	-	-	-	3,807
Pension Fund	705	1,200	(9)	-	-	-	-	1,896
Pension reserve	(6,629)	-	(514)	-	1,108	-	6,035	-
<b>Unrestricted Funds</b>	<b>9,146</b>	<b>4,975</b>	<b>(3,560)</b>	<b>(440)</b>	<b>6</b>	<b>827</b>	<b>6,035</b>	<b>16,989</b>

### Unrestricted Funds: Charity

	At 1 February 2021	Income	Expenditure	Net Gain/ (Loss) on Investments	Transfers	Revaluation of fixed assets	Actuarial Gain on Defined Pension Scheme	At 31 January 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General fund	3,573	3,755	(2,778)	101	(1,107)	-	-	3,544
Tangible Fixed Asset fund (Designated)	7,150	-	(240)	-	5	827	-	7,742
William Leech Fund (Designated)	4,348	-	-	(541)	-	-	-	3,807
Pension Fund	705	1,200	(9)	-	-	-	-	1,896
Pension reserve	(6,629)	-	(514)	-	1,108	-	6,035	-
<b>Unrestricted Funds</b>	<b>9,147</b>	<b>4,955</b>	<b>(3,541)</b>	<b>(440)</b>	<b>6</b>	<b>827</b>	<b>6,035</b>	<b>16,989</b>

The Tangible Fixed Asset Fund represents the net book amount invested in tangible fixed assets (including property held for sale) other than those covered by restricted funds. The William Leech Fund reflects the element of the grants received from William Leech Foundation Limited prior to 15 October 1996 which have been reinvested in shares in William Leech (Investments) Limited (see Note 17). The Pension Fund relates to additional funds received from William Leech (Investments) Ltd, which will be utilised to reduce CMS group pension liabilities. The pension reserve relates to the movement in the defined benefit pension scheme (see Note 25).

# Notes to the Financial Statements

AT 31 JANUARY 2022

## Endowment Funds The Group and Charity

	At 1 February 2021	Income	Expenditure	Net Gain/ (Loss) on Investments	Transfers	At 31 January 2022
	£'000	£'000	£'000	£'000	£'000	£'000
William Leech Capital Fund	7,704	231	-	(831)	-	7,104
P Fund	1,198	-	(8)	64	-	1,254
H B Aserappa Fund	615	-	(4)	33	-	644
R H Aserappa Fund	406	-	(3)	22	-	425
Christava Mahilalayam Fund	82	-	(1)	6	-	87
Bell Trust Fund	24	-	-	1	-	25
<b>Total Endowment funds</b>	<b>10,029</b>	<b>231</b>	<b>(16)</b>	<b>(705)</b>	<b>-</b>	<b>9,539</b>

The William Leech Capital Fund reflects the capital element of the grants received from William Leech Foundation Limited after 15 October 1996 which have been reinvested in shares in William Leech (Investments) Limited (see Note 17).

The P Fund is a permanently endowed fund. The capital of the fund was amalgamated from a large number of small trust funds with Charity Commission approval in 1998. The total value of the P Fund is broken down into the following areas, defined by the restrictions placed on the income generated:

China	£167,000
India	£421,000
Medical work	£343,000
Palestine	£46,000
General reserves	£277,000
	<b>£1,254,000</b>

The H B Aserappa Fund is for evangelistic work in East Asia or other parts of the world at the Trustees' discretion. The R H Aserappa Fund is for salaries and disbursements to lay evangelists in Sri Lanka.

The Christava Mahilalayam Fund is held for the benefit of the Christava Mahilalayam School in South India.

The Bell Trust Fund is for the in-service training of Religious Education teachers in Africa.

# Notes to the Financial Statements

AT 31 JANUARY 2022

## Restricted Funds The Group and Charity

	At 1 February 2021	Income	Expenditure	Transfers	Pension Deficit Provision	At 31 January 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Mission Personnel Funds	909	1,637	(1,932)	164	-	778
South America Funds – Charity	10	90	(111)	13	-	2
Latin America Projects	1,036	61	(28)	(5)	-	1,064
Africa Projects	131	487	(153)	4	-	469
Asia Projects	193	12	(23)	(1)	-	181
Europe & Middle East Projects	74	22	(72)	-	-	24
Multi Region Projects	73	522	(203)	(260)	-	132
St Julian's Fund	216	-	(5)	-	-	211
Marc Nikkel Fund	4	-	-	(4)	-	-
Tanzania Education Fund	86	1	(29)	-	-	58
H B Aserappa Income Fund	-	13	(13)	-	-	-
R H Aserappa Income Fund	25	8	-	-	-	33
Christava Mahilalayam Income	16	2	-	-	-	18
Partnership for Missional Church	42	64	(71)	-	-	35
Mid-Africa Fund	49	339	(349)	(10)	-	29
Strategic Mission Fund	47	-	-	(5)	-	42
Local Partner Fund	-	73	(194)	121	-	-
Other restricted funds	146	166	(126)	(23)	-	163
<b>Total restricted funds – Charity</b>	<b>3,057</b>	<b>3,497</b>	<b>(3,309)</b>	<b>(6)</b>	<b>-</b>	<b>3,239</b>
South America Funds – Group	668	740	(564)	(188)	-	656
South America Funds – Pension reserve (see Note 25C)	(1,504)	-	(7)	188	257	(1,066)
<b>South America Total</b>	<b>(836)</b>	<b>740</b>	<b>(571)</b>	<b>-</b>	<b>257</b>	<b>(410)</b>
<b>Total restricted funds – Group</b>	<b>2,221</b>	<b>4,237</b>	<b>(3,880)</b>	<b>(6)</b>	<b>257</b>	<b>2,829</b>

Mission Personnel Funds are held as individual restricted funds for the support of CMS mission partners.

The South America Funds – Charity funds include reserves held by Church Mission Society which are used to support work in South America.

The regional project funds represent various small projects where the beneficiaries of the grants are based in a specific region or cover multiple regions. Donations and other income are received with a restriction to support these projects.



## Notes to the Financial Statements

AT 31 JANUARY 2022

The St Julian's Fund represents the property held by CMS for the former residents of the St Julian's Community. This fund is restricted for the time that the properties are required by the residents, after which time the properties will revert to the general fund.

The Marc Nikkel Fund is for scholarships for Sudanese students.

The Tanzania Education Fund is for the Buigiri School for the Blind, Diocese of Tanganyika, Tanzania.

The accumulated income from the H B Aserappa Fund, the R H Aserappa Fund, the Christava Mahilalayam Fund is held for the same beneficial objects as for their corresponding endowments.

Partnership for Missional Church relates to a partnership to deliver training for dioceses in the UK.

The Mid-Africa Fund is held by CMS for work in the Mid-Africa region.

The Strategic Mission Fund was set up following a restricted donation from a major donor for new strategic work to be carried out.

The Local Partner Fund is to support a new generation of gifted and dedicated leaders who are passionate about serving their church in some of the world's financially poorest nations.

Other restricted funds represent a wide variety of small restricted funds, held and separately accounted for, for some of the current projects that CMS is involved in. Some fund transfers in the year relate to transfers from unrestricted funds to finance deficits on restricted funds, in particular mission personnel restricted funds. Other transfers relate to the movement from programme funds to help support individual mission partners and projects.

The South America Funds – Group funds include reserves held by The South American Mission Society which are used to support mission partners in Latin America.

## 25. Retirement benefits

The Charity (CMS) and one of its subsidiaries (South American Mission Society) have members in the following defined benefit pension schemes:

- A. CMS Pension Scheme (a defined benefit scheme)
- B. Church of England Funded Pensions Scheme (a multi-employer defined benefit pension scheme)
- C. Church Workers Pension Fund (CWPF) Defined Benefit section (a multi-employer defined benefit pension scheme)
- D. Church Workers Pension Fund (CWPF) – Pension Builder Scheme section (a multi-employer defined benefit pension scheme).

The net defined benefit pension liability shown in the Group and Charity Balance Sheets comprises:

	2022 Group £'000	2021 Group £'000	2022 Charity £'000	2021 Charity £'000
CMS Pension Scheme (see Note 25A below)	-	(6,629)	-	(6,629)
Multi-Employer Defined Benefit Pension Scheme – CWPF Defined Benefit section – Pension Scheme Deficit Reduction Provision (see Note 25C)	(1,066)	(1,504)	-	-
	<b>(1,066)</b>	<b>(8,133)</b>	<b>-</b>	<b>(6,629)</b>

For certain other employees and mission partners the Charity contributes to personal money purchase pension schemes (defined contribution schemes), as explained in Note 25E below.

# Notes to the Financial Statements

AT 31 JANUARY 2022

## **A. Defined Benefit Schemes – CMS Pension Scheme (Group and Charity)**

The Charity contributes to the CMS Pension Scheme, a defined benefit pension scheme, to secure present and future pensions for certain current and former mission partners and staff. CMS Ireland, an independent charity, also funds pensions for its current and former mission partners and staff, but these amount to only some 3 per cent of the scheme's total liabilities.

### **Nature of the Scheme**

The Church Mission Society Pension Scheme operated by the Society is a funded defined benefit arrangement which provides retirement benefits based on final pensionable salary. The Scheme closed to the future accrual of benefits with effect from 30 June 2011. Accrued benefits of active members continue to be linked to pensionable salaries.

The Scheme is a UK registered scheme in accordance with Section 153 of the Finance Act 2004. The Scheme must comply with UK pensions legislation and is regulated by the UK Pensions Regulator. The Scheme is governed by a corporate Trustee, CMS Pension Trust Limited, which has six directors including two member-nominated directors, elected by the membership, and two independent directors, appointed by CMS. The remaining two directors are also appointed by CMS but represent the employer's interests. The Trustee is responsible for the administration of the Scheme and for the Scheme's investment policy. The Trustee, with the advice of the Scheme Actuary and with the agreement of the employers, determines the contributions that are paid to the Scheme.

The calculations for the FRS 102 disclosures have been carried out by running full actuarial calculations as at 31 January 2022.

### **Funding Policy**

Following the cessation of accrual of benefits with effect from 30 June 2011, regular contributions to the Scheme are no longer required. However, additional contributions are still made to cover any shortfalls that arise following each valuation. The funding method employed to calculate the value of previously accrued benefits is the Attained Age Method.

The financial statements have used the actuarial valuation of the Scheme at 31 March 2019. This indicated that the Scheme had a deficit. The Society and the Trustee of the Scheme have put in place a Schedule of Contributions and a Recovery Plan which detail the contributions that will be made to fund this deficit. These contributions are:

- core deficit contributions of £42,500 per month from 1 April 2020, increasing by 2 per cent on each subsequent April and continuing to 30 June 2035.
- an additional amount dependent upon the amount of unrestricted legacy income in any year. If unrestricted legacy income in any year (1 February to 31 January) exceeds £1,032,000, 50 per cent of the excess will be paid to the Scheme.
- an additional amount dependent upon the amount of unrestricted windfall income received from William Leech (Investments) Ltd (WLI). Church Mission Society will pay to the Scheme 50 per cent of any windfall income received.
- if any of the six properties, which are owned by Church Mission Society but do not form part of the contingent asset arrangement, are sold, with the consent of the Trustee required for the sale to be made, an additional contribution equal to 50 per cent of the net proceeds of the sale would be paid to the Scheme.
- additional contributions of £19,300 per month from 1 April 2020 in respect of the Scheme's administration expenses.



## Notes to the Financial Statements

AT 31 JANUARY 2022

By Church Mission Society Ireland:

- core deficit contributions of £1,650 per month from 1 April 2020, increasing by 2 per cent on each subsequent April and continuing to 30 June 2035.
- an additional amount dependent upon the amount of unrestricted legacy income in any year. If unrestricted legacy income in any year (1 November to 31 October) exceeds €160,000, 15 per cent of the excess will be paid to the Scheme, subject to a maximum additional contribution of €5,000 in any one year.
- additional contributions of £700 per month from 1 April 2020 in respect of the Scheme's administration expenses.

The Charity contributed £1,108,000 to the Scheme in respect of the year to 31 January 2022 (2021: £1,095,000).

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



# Notes to the Financial Statements

AT 31 JANUARY 2022

## Scheme Amendments

There have been no amendments to the Scheme during the year and no special events have occurred.

	2022 £'000	2021 £'000
<b>Amounts recognised in the balance sheet</b>		
Fair value of scheme assets	82,968	82,649
Present value of funded obligations	(81,417)	(89,278)
<b>Surplus/(deficit) in scheme</b>	<b>1,551</b>	<b>(6,629)</b>
Unrecognised asset – restriction of Scheme surplus (in accordance with FRS 102)	(1,551)	-
<b>Net defined benefit (liability) recognised in the balance sheet</b>	<b>-</b>	<b>(6,629)</b>
<b>Amounts charged to the Statement of Financial Activities</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Interest on scheme assets	1,138	1,333
Interest cost on obligation	(1,226)	(1,394)
<b>Net interest on net defined benefit asset or liability</b>	<b>(88)</b>	<b>(61)</b>
Past service costs	-	(9)
Pension scheme administration expenses	(426)	(414)
<b>Included in net income/(expenditure)</b>	<b>(514)</b>	<b>(484)</b>
Return on scheme assets (not included in interest)	1,927	3,742
Experience (loss)/gain on liabilities	(175)	-
Actuarial gain/(loss) on scheme obligation	5,834	(7,072)
Loss/(gain) from change in effect of asset ceiling	(1,551)	-
<b>Recognised in "Actuarial gains/(losses) on defined benefit pension scheme"</b>	<b>6,035</b>	<b>(3,330)</b>
<b>Total amounts recognised in the SOFA</b>	<b>6,035</b>	<b>(3,330)</b>

There are no current service costs of the Scheme included within the SOFA (2021: £nil).

	2022 £'000	2021 £'000
<b>Changes in fair value of scheme assets</b>		
Scheme assets at the beginning of the year	82,649	79,266
Interest on assets	1,138	1,333
Return on scheme assets (not included in interest)	1,927	3,742
Contributions by CMS	1,108	1,095
Contributions by CMS Ireland	26	24
Administration expenses	(426)	(414)
Benefits paid	(3,454)	(2,397)
<b>Scheme assets at the end of the year</b>	<b>82,968</b>	<b>82,649</b>
<b>Actual return on scheme assets</b>	<b>3,065</b>	<b>5,075</b>

# Notes to the Financial Statements

AT 31 JANUARY 2022

## Scheme Assets

The major categories of Scheme assets as a percentage of the total Scheme assets are as follows:

	2022	2021
	%	%
Diversified growth funds	19	51
Bonds	14	13
Synthetic global market exposure	14	-
Private market funds	11	-
Cash and NCA	2	12
Liability driven investments	40	24

	2022	2021
	£'000	£'000
Changes in present value of the Scheme's defined benefit obligation		
Obligation at the beginning of the year	89,278	83,176
Interest cost on obligation	1,226	1,394
Actuarial loss/(gain)	(5,808)	7,072
Past service cost	-	9
Experience gain on liabilities	175	-
Contributions by scheme participants	-	24
Benefits paid	(3,454)	(2,397)
<b>Defined benefit obligation at the end of the year</b>	<b>81,417</b>	<b>89,278</b>

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 January 2022 and 17 years at 31 January 2021.

Principal Actuarial Assumptions at the balance sheet date used for the FRS 102 disclosures

The principal assumptions used by the actuary to calculate the Employee benefit obligation for Church Mission Society in respect for the CMS Pension Scheme were as follows:

	2022	2021
	%pa	%pa
Discount Rate at end of year	2.25	1.40
Discount Rate at start of year	1.40	1.70
Inflation – CPI	2.85	2.15
Inflation – RPI	3.55	2.95
Rate of increase in pensionable salaries	2.85	2.15
Rate of increase in pensions in respect of service:		
- pre 10 January 1994	3.70	3.45
- between 10 January 1994 and 5 April 2005	3.40	2.85
- after 5 April 2005	2.35	2.15
Rate of increase in deferred pensions in respect of service:		
- before 1 April 1994	5.00	5.00
- between 1 April 1994 and 5 April 2009	2.85	2.15
- after 5 April 2009	2.50	2.15

# Notes to the Financial Statements

AT 31 JANUARY 2022

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 87 if they are male and on average until age 90 if female. For a member currently aged 55 the assumptions are that if they attain an age of 65 they will live on average until age 88 if they are male and on average until 88 if female.

## ***B. Defined Benefit Schemes – Church of England Funded Pensions Scheme (Group and Charity)***

In addition to the CMS Pension scheme the Group has 17 active members of the Church of England Funded Pension Scheme (also known as the Clergy Scheme), which has approximately 8,000 active members. Contributions for these members of the Scheme are paid for by the Archbishops' Council on behalf of the Group, so the expense recognised in the SOFA is £nil (2021: £nil). Employer's contributions to this scheme amounting to some £229,000 are funded by the Archbishops' Council in accordance with the Pensions Measure 1997, under a grant which the national church undertook to make to meet the pension costs of clergy employed by qualifying mission agencies belonging then to the Partnership in World Mission.

## ***C. Multi-Employer Defined Benefit Pension Scheme – Church Workers Pension Fund Defined Benefit section (Group)***

The Group through South American Mission Society participates in the Defined Benefit Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefit Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The Defined Benefit Scheme (DBS) section of the CWPF provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. It does not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the Scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £17,000, 2021: £16,000), plus any impact of deficit contributions (see below) giving a total net credit in the year ended 31 January 2022 of £230,000 (2021: net charge of £94,000).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

## Notes to the Financial Statements

AT 31 JANUARY 2022

A valuation of the DBS is carried out once every three years, and the most recent scheme valuation completed was as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £11.3m.

Following the valuation, the Employer has entered into an agreement with the CWPF to pay expenses of £17,500 per year.

From 1 April 2021 a new annual deficit payment of £182,533 has been agreed and is payable until 31 March 2028 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

In accordance with Section 28.11A of FRS 102 the agreed deficit recovery payments are recognised as a liability. The movement in the provision is set out below:

	2022 £'000	2021 £'000
Pension scheme deficit reduction provision		
Balance sheet liability at 1 February	1,504	1,640
Deficit contribution paid	(188)	(214)
Interest cost (recognised in SOFA)	7	22
Remaining change to the balance sheet liability (recognised in SOFA), comprising the change in agreed deficit recovery plan and the change in discount rate between year-ends	(257)	56
<b>Balance sheet liability at 31 January</b>	<b>1,066</b>	<b>1,504</b>

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

	2022 %pa	2021 %pa
Discount Rate at end of year	1.50	0.50
Discount Rate at start of year	0.50	1.40

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

The next valuation of the Scheme will be carried out as at 31 December 2022.

### **D. Multi-Employer Defined Benefit Scheme – Church Workers Pension Fund – Pension Builder Scheme section (Group)**

The Group through South American Mission Society also participates in the Pension Builder Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefit Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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

# Notes to the Financial Statements

AT 31 JANUARY 2022

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

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

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

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and accordingly contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SOFA in the year ended 31 January 2022 are contributions payable of £85,000 (2021: £95,000).

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 2019. For the Pension Builder Classic section, the valuation revealed a deficit of £4.7m on the assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time. For the Pension Builder 2014 section, the valuation as at 31 December 2019 revealed a surplus of £5.5m on a technical provisions basis. The legal structure of the scheme is such that if another employer fails, SAMS could become responsible for paying a share of that employer's pension liabilities.

During the 2017-18 year, following consultation with our scheme members it was decided to transfer all members from the Pension Builder Classic section to the Pension Builder 2014.

The next valuation of the Pension Builder Classic and 2014 schemes will be carried out as at 31 December 2022.

## ***E. Defined Contribution Schemes (Group and Charity)***

The Charity contributes to personal money purchase pension schemes (defined contribution schemes) for certain employees and mission partners.

	2022 £'000	2021 £'000
Staff and Mission Partners	660	693
	<b>660</b>	<b>693</b>

## **26. Secured assets**

CMS House, the Mission and Community House in Oxford and two other residential properties have been pledged as security to the CMS Defined Benefit Pension Scheme. These properties are being used as security to guarantee the Charity's funding shortfall to the CMS Defined Benefit Pension Scheme.

# Notes to the Financial Statements

AT 31 JANUARY 2022

## 27. Subsidiary undertakings

### Charity

As outlined in Note 1, The Church Mission Society Trust became a subsidiary of CMS under a scheme agreed with the Charity Commission in 2010. CMS is a corporate trustee of The Church Mission Society Trust. As part of the scheme, a uniting direction was put in place for The Church Mission Society Trust to be part of CMS for accounting and legal purposes. Therefore the disclosures in these financial statements for "the Charity" include CMS and The Church Mission Society Trust.

### Principal Subsidiaries at 31 January 2022

#### a) The South American Mission Society

Name	Principal Activities	Ownership
The South American Mission Society (RCN: 221328 and Co. No.:00065048)	To be a community of people in mission obeying the call of God, to proclaim the gospel in all places with particular emphasis on Latin America and to draw all people into fellowship with the Lord Jesus Christ.	100%

#### b) CMS House Enterprises Ltd

Name	Principal Activities	Ownership
CMS House Enterprises Ltd (Co. No.: 09376700)	Income from room hire of CMS House and book sales.	100% – £1 share capital

### Summary of results for the 12 months to 31 January

	The Charity	The South American Mission Society	CMS House Enterprises Ltd	Consolidation adjustments	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Total income	9,106	740	19	(422)	9,443	8,521
Total expenditure	(7,292)	(571)	(15)	422	(7,456)	(7,475)
(Losses)/gain on investments	(1,145)	-	-	-	(1,145)	1,764
Revaluation of fixed assets	827	-	-	-	827	-
Actuarial gains/(losses) on defined benefit scheme	-	257	-	-	257	(56)
Other gains/(losses) on pension scheme deficit reduction provision	6,035	-	-	-	6,035	(3,330)
<b>Net movement in funds</b>	<b>7,531</b>	<b>426</b>	<b>4</b>	<b>-</b>	<b>7,961</b>	<b>(576)</b>

	The Charity	The South American Mission Society	CMS House Enterprises Ltd	Consolidation adjustments	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Total fixed assets	21,866	-	-	-	21,866	22,996
Current assets	9,235	707	15	(28)	9,929	7,952
Current liabilities	(1,334)	(51)	(15)	28	(1,372)	(1,419)
Defined benefit pension scheme asset/(liability)	-	(1,066)	-	-	(1,066)	(8,133)
<b>Net assets/(liabilities)</b>	<b>29,767</b>	<b>(410)</b>	<b>-</b>	<b>-</b>	<b>29,357</b>	<b>21,396</b>

### **Consolidation adjustments**

The SAMS adjustment in the funds movement relates to transfer of restricted funds relating to mission partners where the income is received by CMS (parent charity) (see Note 22) and the costs are paid out of SAMS (subsidiary charity) which is the legal employer. CMS bears all other SAMS overheads without charge, apart from the SAMS governance cost.

The registered office of The Church Mission Society Trust, The South American Mission Society and CMS House Enterprises Ltd is CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ.

### **Other subsidiaries at 31 January 2022**

In addition to the above principal subsidiaries, the following entities are also part of the CMS group but are not consolidated due to materiality.

Name	Percentage Holding	Registered Office
Church Missionary Trust Association Ltd	100	CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ
CMS Pension Trust Ltd	100	CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ
World Mission Association Ltd	50	5 Trinity Street, London, SE1 1DB

## **28. Accounting estimates and judgements**

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations and financial position. Accounting policies are shown in Note 2 to the financial statements.

### **Pension liabilities – CMS Pension Scheme**

CMS has recognised its liability to its defined benefit pension scheme which involves a number of estimations, as disclosed in Note 25.

### **Unlisted investments**

As outlined in Note 2, the unlisted investments in William Leech (Investments) Limited and Clean for Good Ltd are valued as the share of the net assets at 31 January 2022 (unaudited accounts) based on the information provided by these entities.

### **Cost allocation**

Costs not attributable to a single activity are allocated or apportioned to activities on a basis consistent with identified cost drivers for that cost category. Cost drivers utilised relate to the proportion of time spent by staff across different activities and judgement is exercised in applying cost drivers to cost categories.

### **Pension liabilities – multi-employer defined benefit pension schemes**

FRS 102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the CWPF. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the SOFA in accordance with Section 28 of FRS



## Notes to the Financial Statements

AT 31 JANUARY 2022

102. The Trustees are satisfied that the CWPF meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements. As explained in Note 25, there is a deficit reduction plan in relation to SAMS's membership of the Defined Benefit section of the CWPF.

### 29. Change in movement in net funds

	At 1 February 2021	Cash flow	At 31 January 2022
	£'000	£'000	£'000
Cash at bank and in hand	6,712	1,529	8,241
Cash held with investment manager	163	(138)	25
<b>Net Cash</b>	<b>6,875</b>	<b>1,391</b>	<b>8,266</b>

Cash held with investment manager is included within Investments (see Note 17).





# Reference details of the Charity and Advisers

---

## **Principal Address**

Church Mission Society  
Watlington Road  
Cowley  
Oxford OX4 6BZ

## ***Principal Professional Advisers***

### *Bankers*

Barclays Bank PLC  
Public Sector –  
Charities  
Level 12  
1 Churchill Place  
London  
E14 5HP

### *Auditors*

Crowe U.K. LLP  
Aquis House  
Reading  
Berkshire  
RG1 1PL

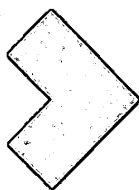
### *Principal Solicitors*

Anthony Collins  
Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

### *Investment Managers*

Cazenove Capital  
12 Moorgate  
London  
EC2R 6DA





With Jesus  
With each other  
To the edges



**Church Mission Society  
Watlington Road,  
Oxford, OX4 6BZ**

+44 (0)1865 787400  
 info@churchmissionsociety.org  
 churchmissionsociety.org

**Connect with us on**



**Church Mission Society** (mission community acknowledged by the Church of England).