

**The National Society
(Church of England and Church in Wales)
for the Promotion of Education**

Annual report and financial statements
for the year ended 31 December 2021

Registered Charity number 313070

REFERENCE AND ADMINISTRATIVE INFORMATION

Mission Statement	Deeply Christian, Serving the Common Good.	
Legal structure	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
Patron	Her Majesty The Queen	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Paul Butler, Bishop of Durham	
Hon Treasurer	Revd Canon Peter Ballard	
Chief Education Officer	Revd Canon Nigel Genders	
Offices	Church House Great Smith Street London SW1P 3AZ	
Telephone	020 7898 1066	
Email	lisa.osborne@churchofengland.org	
Website	www.churchofengland.org	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Bankers	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
Investment Managers	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
Solicitors	The Society uses a panel of solicitors who provide advice in line with their expertise.	

REFERENCE AND ADMINISTRATIVE INFORMATION

The Council who served during the year and as at 7 June 2022 are shown below.

Chair	Rt Revd Paul Butler, Bishop of Durham	
Treasurer	Revd Canon Peter Ballard	
Other Council members	Name Professor David Ford Professor Joy Carter (until November 2021) Canon Simon Lloyd Rt Revd June Osborne (until February 2022) Mrs Rosemary Lyon Canon Sue Witts (until April 2021) Revd Jeremy Fletcher Mrs Marion Plant Mr Andrew Smith Canon Dr Addy Lazz-Onyenobi (from June 2021) Professor Jean Noel Ezingard (from June 2021) Ms Sonia Thompson (from November 2021) Rt Revd Mary Stallard (from February 2022)	Appointed / elected by Archbishops of Canterbury and York Archbishops of Canterbury and York Governing Body of Church in Wales Governing Body of Church in Wales General Synod General Synod Archbishops of Canterbury and York Archbishops of Canterbury and York Co-option General Synod Co-option Co-option Governing Body of Church in Wales
Finance, Investment, Risk & Audit Committee	Revd Canon Peter Ballard (<i>Chair</i>) Ms Michelle Brissett Ven. Douglas Dettmer Revd Canon Nigel Genders Mrs Rosalind Williams Canon Carolyn Lewis	
Nominations Committee	Revd Canon Peter Ballard (<i>Chair</i>) Mrs Marion Plant Revd Canon Nigel Genders	
Chief Education Officer	Revd Canon Nigel Genders	
Website	www.churchofengland.org	

Introduction

The National Society (Church of England and Church in Wales) for the Promotion of Education ("the National Society") is a Church of England and Church in Wales education service. It was founded by Royal Charter in 1811, with supplemental Charters in 1934, 1972, 1985, 1987, 1997 and 2015, to provide education for all, firmly based on the Christian Gospel and Anglican principles. The Charter states that:

"The objects of the Society shall be the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and in Wales and in any other part of the world where the Church of England or churches in communion with it may be at work. The investments and property and all of the income of the Society shall henceforth be applicable for the general purposes of the Society as herein stated."

The Trustees present their annual report and financial statements for the year ended 31 December 2021. The financial statements incorporate the National Society's trading subsidiary company, Church of England Educational Services Limited. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS 102).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's Royal Charter, the Charities Act 2011 and Charities SORP (FRS 102).

Structure, Governance & Management

Organisation and Decision Making

The National Society Council met four times during the year. One meeting was held in person, the remaining three being held remotely.

The Finance and Investment Committee, chaired by the Hon Treasurer, oversees the financial affairs of the Society. It has delegated powers from the Council to scrutinise accounts and make recommendations to the Council, and has responsibility for the management of the Society's investments, receiving reports from the Society's brokers and authorising movement of funds.

The Nominations Committee oversees the appointments to the National Society Council. It meets only when required to fill a Council vacancy or to manage the 5-yearly reconstitution of the Council.

The Society's Solicitors maintained strong links with the Society.

The National Society is one of the National Church Institutions (NCIs) and draws on the expertise and resources of various central services including those relating to Finance & Resources, Human Resources, Office Services and IT, Publishing and the Church of England Records Centre.

Under the 2015 Charter, the National Society Council consists of the following members:

- a) The Chair, appointed by the Archbishops after consultation with the General Synod and Archbishops' Council Appointments Committee.
- b) The Chief Education Officer, appointed by the Chair (who will not be a Trustee, but will have right of attendance).
- c) The Treasurer, appointed by the Chair.
- d) Three Trustees appointed by the Archbishops of Canterbury and York after consultation with the General Synod and Archbishops' Council Appointments Committee
- e) Two Trustees appointed by the Governing Body of the Church in Wales
- f) Two Trustees elected by General Synod
- g) Up to three Trustees co-opted for their skills and expertise.

Structure, Governance & Management (continued)

Organisation and Decision Making (continued)

Under the Byelaws, with the exception of the 3 Co-Presidents, no person shall be capable of becoming a member of the Council if at the time of their nomination, appointment, election or co-option they have attained the age of seventy-two years.

Relationships

The Society has a number of relationships with other bodies through which it co-operates to provide a full range of services to Church Schools in England and Wales, together with international links as appropriate.

In particular, the Society works in close partnership with the Archbishops' Council in all matters relating to education. Some posts are jointly funded by the Society and the Archbishops' Council.

The Society acts as Custodian Trustee of St Christopher's Educational Trust (incorporating the Hughes and Stevens Bequest), and appoints three Governors, one of whom is the Chair. The Trust prepares its own accounts for approval by the Governors.

A number of other small trusts are administered by the Society following gifts during the nineteenth century. Separate accounts and Charity Commission returns are made for these trusts. The Society has links with other organisations nationally and internationally to enable it to provide services and resources to benefit the work of Christian Education.

Trustee Induction and Training

New Trustees receive full information on the legal basis of the Society and the powers and responsibilities of the Council and its members. The Council was newly constituted in 2015 and when re-constituted, all members of the Council received information about the objects and purposes of the Society.

Grant Making Policy

In general terms the National Society is not a grant making trust. However, from time to time the Society makes a limited number of grants to other bodies to enable those recipients to carry out specific work on behalf of the Society.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

The Society keeps under review the risks to its work. The Society has the benefit of the expertise of the NCIs' Internal Auditors. Members of the Council review likely risk areas and policies adopted on a regular basis.

Risk area	Key mitigating strategies
Significant reduction in funds available to the Society, whether through poor investment returns or lack of demand for services, leading to failure to meet business plans and objectives	<ul style="list-style-type: none"> • Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio • Performance of fund managers are monitored by the Finance and Investment Committee • Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations • Regular review of business plan and objectives taking into account available resources
The Church schools network is out of sync with government education policy and the views or priorities of the wider Church, leading to a fragmented response and reduced resource	<ul style="list-style-type: none"> • Investment in good relationships with major stakeholders • Monitoring of government developments and responding to consultations as necessary • Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools • Regular reporting to General Synod and House of Bishops
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	<ul style="list-style-type: none"> • A pan-NCI business continuity plan is in place which encompasses IT disaster recovery • Business continuity contingency plans are tested with emergency contact system and remote working day to ensure systems work as expected and flag up any potential issues • A COVID-19 Business Continuity group, which works across all of the NCIs, has been meeting since 2020
Failure to develop the Foundation work such that it is not sustainable	<ul style="list-style-type: none"> • Foundation well established through online community, successful national conference and regional networks • New NPQ programme bid was successful which will expand the reach of the Foundation

Objectives and Activities

The objects of the Society are the promotion, encouragement and support of education in accordance with the principles of the Church of England, in England and Wales and in any other part of the world where the Church of England or churches in communion with it may be at work.

The original aim of the National Society, as expressed in its name, was the 'promotion of the education of the poor', and the continuing aim of the Society is to provide education to enable the flourishing of children and young people in England and Wales.

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit.

Achievements and Performance

The National Society supports the mission of the Church of England as the largest single provider of education in England in line with the Church of England's role as the established Church, as well as supporting the development of the Church in Wales's work in education through its Church schools. It oversees the work of the Church of England Education Office on behalf of both the Archbishops' Council and the National Society recognising the priorities and objectives of the Archbishops' Council. The National Society's strategic plan for 2020-2025 is summarised as follows:

The Church of England Education Office serves the Church's ministry with children and young people in schools, colleges and universities by:

- i. **Developing leaders** who are called, connected and committed to a vision for education which is deeply Christian, serving the common good*
- ii. **Shaping policy** to promote high quality education for all, particularly the poorest and most disadvantaged*
- iii. **Growing faith** amongst children and young people through churches, schools/colleges and households*

The Society's vision continues to be underpinned by its vision for education: deeply Christian, serving the common good, expressed through our key values of: wisdom, knowledge and skills; hope and aspiration; community and living well together; dignity and respect. Church schools continue to play a vital role at the heart of their communities.

With over one million students attending 4,800 schools in England and Wales, the National Society's responsibility is to advance the breadth of work across 12,600 parishes, Diocesan Boards of Education, schools, colleges and 11 Anglican foundation universities. Our vision is to equip a new generation of young people to shape society and contribute meaningfully to an increasingly complex and globalised world.

2021 activities

Developing Leaders

Since publication of our Church of England vision for Education and the launch of the *Church of England Foundation for Educational Leadership* in 2016, work on leadership development has progressed rapidly.

The Foundation is the mechanism for work on developing leaders and focuses on programmes, networks and research and each of these elements has made considerable progress in 2021 providing much needed opportunities to address the significant challenges arising from the global pandemic, such as the work on mental health and wellbeing as well as a new trauma network.

The National Society prioritised a significant bid to government to become one of the national providers for national professional qualifications (NPQs) and success in this led to the need to rapidly deliver programmes for the whole suite of NPQs. Having recruited, onboarded and started training both Cohort 1 and Cohort 2 of all NPQ Programmes, a full suite which includes NPQ Leading Behaviour and Culture, NPQ Leading Teaching NPQ Leading Teacher Development, NPQ Senior Leadership, NPQ Headship, and NPQ Executive Leadership.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

In order to deliver the programme nationally we have established partnerships with nearly 100 Delivery Partners (a blend of Teaching School Hubs, MATs and High performing schools) who are contracted to deliver programmes in their local areas. This includes around a quarter of all Teaching School Hubs nationally. We have recruited nearly 2000 participants onto Cohort 1 and 2.

This year we have invested in the infrastructure that has been needed to scale up our NPQ provision so significantly, as well as building a much larger staff team.

Key investments include:

- Developing and setting up Salesforce CRM to enable an automated application processing process and data sharing with the DfE
- Setting up Blackboard as the digital learning platform used by participants and facilitators.
- Staffing - including new Programme Officers, Programme Leads, Marketing and Digital Officer, and Regional Delivery Managers.

In addition, we had seven Set Up Milestones agreed with the DfE which were associated with the payments of our set-up fees. All of these milestones have been met, with the final milestone due to be met in mid-June 2022.

During 2021 the government required the contract to be retendered so as well as running new programmes for 2,000 participants we have had to devote time to a further bid. We have successfully now been awarded the Framework Agreement for the next five years of NPQ delivery for the above programmes.

Shaping Policy (Schools, FE and HE)

The policy work is a vital element of our core business. The fact that the Church of England and Church in Wales provide a quarter of all primary schools and are statutory providers for 1 million children and young people enables us to have a voice on a range of policy areas. Highlights include the revision of the DBE Measure as well as a complete reshaping of the way Statutory Inspection of Anglican and Methodist Schools (SIAMS) is managed nationally. A new national team for overseeing SIAMS has been successfully recruited and, although inspections had to be suspended for much of the year (because of the impact of Covid-19) there is already recognition that the quality and consistency of inspection has improved as planned.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work.

The Church of England vision for Further Education (FE) *Vocation, Transformation and Hope*, was published in April 2021 and further work has been undertaken to develop the church's offer in FE chaplaincy as part of the journey towards a more formalised connection with a group of FE colleges.

The church's contribution to Higher Education, especially through its Anglican foundation universities, continues to be a focus of policy work. This is particularly important in connection to the significant role these universities play in the training of teachers.

Growing Faith

Our vision for Growing Faith has always been one of influencing wider cultural change within the church so that faith development amongst children and young people is something which embraces the whole of life and where, through partnership between church and school, the role of faith in the home is seen as vitally important.

Having led the conversation on such a culture change the National Society has now developed the concept of a Growing Faith Foundation to lead practical programmes, networks and research to help shape ministry with children and young people in churches, schools and households. The Society successfully applied for grants to cover the work of the Growing Faith Foundation and has subsequently appointed a strong small central team to lead this new foundation's ministry.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The connection between the Growing Faith Foundation and the Foundation for Educational Leadership will enable a sharing of staff resource, systems and approach to bring benefit to both.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the society and we continue to provide national younger leadership groups, comprising around 250 young people in Primary, Secondary and FE. Each of these young people also receives some leadership training opportunities alongside being part of our developmental work in relation to Growing Faith and a range of other key issues including input into the wider Church of England's vision and strategy.

Future plans

The main priorities for 2022 will be to shape and develop the emerging educational landscape for church schools in England as a result of the government White Paper published in March 2022. Significant structural change is expected with a clear direction of travel to a fully academized system. The government's prioritisation of a more regionally focused system is such that the society will need to develop ways to engage effectively at a regional as well as national level.

Further work will be undertaken to ensure the role of the National Society in England and Wales is developed in a way which enables the growth of our three-fold strategy to bring benefit to both England and Wales.

Having developed successful networks of school leaders engaging in issues of equity, diversity and inclusion, we have secured more resource to enable detailed work on leadership development and curricula development in these areas.

The success of securing a large government contract to deliver NPQs and grants to develop the Growing Faith Foundation will require further strengthening of the staff team to sustain the rapid growth that we have enjoyed and ensure that we are well placed to develop other initiatives and programmes to maximise the impact of our vision for education and improve the outcomes for children and young people.

We will continue the Society's vital role in promoting the Church's place in the national education system, including:

- The development of visionary leadership and networks and programmes to support the development of educational leaders.
- Continued discussion with ministers, negotiation with the Department for Education, including over arrangements for academy conversions, trusts and other collaborative arrangements.
- Improved and new relationships with ministers and other organisations active in the FE and HE sector, ensuring input into a wide range of policy areas.
- Support for individual dioceses in strategic development.
- Support for DBEs as they develop their academies structures and services.
- Support for dioceses reviewing their arrangements to support chaplaincy in FE and HE and individual chaplaincy audits and advice for colleges and universities.
- Availability of National Society contracts of employment for all school staff.
- National oversight of all denominational inspection (SIAMS).
- Responding on behalf of the Church of England to government consultations and to other national agency contacts.
- Supporting school and college chaplains especially through the development of the Growing Faith Foundation.
- Ensuring the preservation of the archive of the Church of England's work in education, including the records of many Church schools and colleges.

Financial Review

Summary of Results

Total consolidated income for the year was £1,547,169, being an increase of £94,511 on the previous year (2020: £1,452,568). Total consolidated expenditure for the year was £1,828,477, an increase of £402,510 on the previous year (2020: £1,452,658). Net expenditure for the year was £281,308 before total investment gains of £1,510,201 (2020: Net income of £26,601 before total investment losses of £491,803). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a profit of £38,078 (2020: £214,033), with a turnover of £626,969 (2020: £674,529) and total expenditure of £588,891 (2020: £460,496).

Investment Strategy, Powers and Restrictions

The Society's Investment Strategy reflects the long-term nature of the enterprise. With the help of expert professional advisers, reserves are invested in a mixed portfolio of equities, fixed interest securities and property. Ethical considerations are taken into account and the Society follows the advice given by the Church of England Ethical Investment Advisory Group. The investment objective is to maintain the real value of the Society's assets while securing a steady growth in investment income. Both the requirement of prudence and the need for a reliable income flow prompts the Society to invest for "value" rather than "growth".

Investment Performance

2021 saw a significant improvement in the performance of the investment markets, driven by increased confidence in the economy after the end of lockdown and the success of the COVID-19 vaccine roll out. Total stocks and shares investment income increased by £26,957 to £438,420 in 2021, representing an income yield of 3.5% in 2021 (2020: 3.5%). Total gains on the stocks and shares investments were £1,280,212 (2020: loss of £446,446).

During the year the Society has reassessed the value of its investment properties and has booked revaluation gains for both properties, being £143,188 in respect of the Great Peter Street property and £87,000 in respect of Fairwinds, resulting in a total revaluation gain of £230,188.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2021 and as a voluntary body the Society relies on investment income, conference and course fees, Diocesan contributions, donations, and legacies to fund its normal activities.

Reserves Policy

At 31 December 2021, the Society held total reserves of £16,158,620, of which £720,547 was held in restricted funds. Unrestricted reserves totalled £15,438,073, of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £15,437,051 and excluding the investment balances of £14,904,259 gives free reserves of £532,792.

The Society's target is to hold between three and six months of unrestricted expenditure as free reserves excluding investment balances. This equates to between £355,367 and £710,735. The balance of £532,792 at 31 December 2021 means that the Society currently holds approximately 4.5 months of unrestricted expenditure in free reserves excluding investment balances.

The Society's investments are held in order to provide a reasonable contribution to operating costs through income and capital gains while maintaining a capital value sufficient to provide a stable financial outlook in the medium term. Having considered all relevant factors, including the present benefit from the contribution to operating costs and ensuring inter-generational equity without accumulating excessive reserves, the Society believes that it should hold between fifteen and twenty years of unrestricted expenditure, excluding expenditure on trading activities, in investments. This is between £14.3m and £19m. The current investment balances of £14.4m are just within this range.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary CEES, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans enacted in response to the initial emergency, which have substantially altered ways of working.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Staff remuneration and executive pay

All the staff of the National Society are covered by a unified pay policy that operates across all the NCIs. The policy is designed to ensure the same level of pay for all staff in posts with work of equal value based on eight bands. For certain staff with specialist skills, typically those whose role requires them to hold a professional qualification, a market adjustment may be applied, the value of which is determined by reference to the lower quartile and median of market related salaries and is subject to annual review.

Staff pay is reviewed annually and any increases as a result of the annual pay negotiations are awarded with effect from 1 January. The NCIs are an accredited Living Wage employer and ensure all staff including apprentices, interns and those on training schemes receive the appropriate living wage for their location.

The roles of the Chief Executive and Executive Director of Education sit outside the banding system, as the skill sets required to fulfil the roles are not readily measured within the NCIs' standard job evaluation system. Salaries for these roles are set individually with reference to the wider marketplace. This process is overseen by the Remuneration Committee, comprising senior trustees from each of the main NCIs. In general, these staff can expect the same percentage annual uplift for cost of living as those on the NCI bands.

Trustee responsibilities in relation to the financial statements

As trustees, Council members are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the Council to prepare financial statements each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles of the Charities Statement of Recommended Practice.
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the National Institutions Measure 1998. They are also responsible for safeguarding the assets of the Archbishops' Council and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was authorised for issue by the Council on 7 June 2022 and signed on its behalf by:

Paul Butler

Paul Butler (Jul 18, 2022 17:26 GMT+1)

Rt Revd Paul Butler
Chairman

P J Ballard

P J Ballard (Jul 18, 2022 09:54 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

Opinion

We have audited the financial statements of The National Society (Church of England and Church in Wales) for the Promotion of Education ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow 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 parent charity's affairs as at 31 December 2021 and of the group's/its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity / 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 charity'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

- the financial statements are not in agreement with the accounting records and returns; 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 8, the trustees 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 group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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 151 of the Charities Act 2011 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. 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 charity 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 Charities Act 2011 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 charity'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 charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

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 timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NATIONAL SOCIETY (CHURCH OF ENGLAND AND CHURCH IN WALES) FOR THE PROMOTION OF EDUCATION

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 21 October 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

Consolidated		Unrestricted Funds	Restricted Funds	2021 Total	Unrestricted Funds	Restricted Funds	2020 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		110,000	190,000	300,000	10,005	128,612	138,617
Charitable activities	3	22,175	112,875	135,050	-	170,050	170,050
Other trading activities		626,969	-	626,969	674,243	-	674,243
Investments	2	483,788	51	483,839	463,473	389	463,862
Other income	4	1,311	-	1,311	5,886	-	5,886
Total income		1,244,243	302,926	1,547,169	1,153,607	299,051	1,452,658
Expenditure on:							
Raising funds		47,202	-	47,202	42,138	-	42,138
Charitable activities	5	904,311	407,008	1,311,319	514,946	488,808	1,003,754
Other trading expenditure		469,956	-	469,956	380,075	-	380,075
Total expenditure		1,421,469	407,008	1,828,477	937,159	488,808	1,425,967
Net (expenditure) income before gains/(losses) on investments							
		(177,226)	(104,082)	(281,308)	216,448	(189,757)	26,691
Gains/(losses) on investments	10	1,510,201	-	1,510,201	(491,803)	-	(491,803)
Net income (expenditure)		1,332,975	(104,082)	1,228,893	(275,355)	(189,757)	(465,112)
Transfers between funds	15	(258,943)	258,943	-	(12,650)	12,650	-
Net movement in funds		1,074,032	154,861	1,228,893	(288,005)	(177,107)	(465,112)
Total funds at 1 January:		14,364,041	565,686	14,929,727	14,652,046	742,793	15,394,839
Total funds at 31 December		15,438,073	720,547	16,158,620	14,364,041	565,686	14,929,727

The balances for both financial years relate to continuing operations.

The notes 1 to 17 form part of these Financial Statements

CONSOLIDATED AND CHARITY BALANCE SHEETS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Charity	
		2021 Total £	2020 Total £	2021 Total £	2020 Total £
Fixed assets					
Investment property	10	2,047,688	1,817,500	2,047,688	1,817,500
Investments	10	12,856,571	11,618,352	12,856,671	11,618,452
		14,904,259	13,435,852	14,904,359	13,435,952
Current assets					
Debtors	11	403,722	235,929	539,601	160,716
Cash & cash equivalents		1,497,470	1,592,512	1,187,250	1,195,464
		1,901,192	1,828,441	1,726,851	1,356,180
Liabilities					
Creditors: amounts falling due within one year	12	(646,831)	(334,566)	(510,670)	(76,438)
Net current assets		1,254,361	1,493,875	1,216,181	1,279,742
Total net assets		16,158,620	14,929,727	16,120,540	14,715,694
The funds of the charity:					
Restricted funds		720,547	565,686	720,547	565,686
Unrestricted funds:					
. Designated funds		1,022	193,333	1,022	193,333
. General funds		15,437,051	14,170,708	15,398,971	13,956,675
Total funds	13	16,158,620	14,929,727	16,120,540	14,715,694

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 7 June 2022 and signed on its behalf by:

Paul Butler
Paul Butler (Jul 18, 2022 17:26 GMT+1)
Rt Revd Paul Butler
Chairman

P J Ballard
P J Ballard (Jul 18, 2022 09:54 GMT+1)
Revd Canon Peter Ballard
Honorary Treasurer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Net income / (expenditure) for the year (as per the statement of financial activities)		1,228,893	(465,112)
Investment income	2	(483,839)	(463,852)
(Gains) / losses on investments	10	(1,280,012)	491,803
Increase / (decrease) in creditors	12	312,265	(184,107)
(Increase) in debtors	11	(167,792)	(89,738)
Net cash flow used in operating activities		(390,485)	(711,006)
Cash flows from investing activities			
Investment income received	2	483,839	463,852
Purchase of investments	10	(753,796)	(910,967)
Sales of investments	10	920,410	933,330
Revaluation gain on investment property	10	(230,188)	-
Net cash flow provided by / (used in) investing activities		420,265	486,215
Change in cash and cash equivalents in the year		29,780	(224,791)
Cash and cash equivalents at 1 January 2021		1,632,109	1,856,900
Cash and cash equivalents at 31 December 2021		1,661,888	1,632,109
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,497,470	1,592,512
Cash held by investment managers	10	164,418	39,597
		1,661,888	1,632,109

The Society has no debt and therefore the reconciliation in cash and cash equivalents also represents the analysis of changes in net debt.

The notes 1 to 17 form part of these Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The National Society meets the definition of a public benefit entity under FRS 102.

The National Society has taken advantage of the exemption in FRS102 from the requirement to prepare a Charity cash flow statement.

The subsidiary company has been consolidated on a line-by-line basis.

Going concern

The Society meets the costs of its activities primarily from investment income, charges for services provided by the Society or its subsidiary Church of England Educational Services Limited, and from donations for specific projects. The Society prepares annual budgets and regular re-forecasts, and considers the longer term impact of its financial decisions when the budgets are set.

The Society has considered the key risks and uncertainties which impact on immediate liquidity and long term solvency. These include the general liquidity of the investment portfolio, including cash held in deposit accounts, the bid to become a national provider of National Professional Qualifications, and demand for services provided by the Society or its subsidiary. The Society has also considered the continuing impact of the COVID-19 pandemic on its operations, particularly with reference to the contingency plans it has enacted in response to the initial emergency, which have substantially altered ways of working.

Having due regard to the above, the trustees have reasonable expectation that the Society has adequate resources to meet its spending commitments as they fall due for the foreseeable future. Accordingly, the going concern basis of accounting in preparing the annual report and financial statements continues to be adopted.

Income

Income is recognised in the period in which the charity is entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and the amount can be measured reliably and dividend and rent income is recognised as the charity's right to receive payment is established.

Resources expended and basis of allocation of costs

Expenditure, including the related irrecoverable VAT, is accounted for on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Most costs are directly attributable to specific activities. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs & administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been apportioned on the basis of time spent on various activities.

1. ACCOUNTING POLICIES (continued)

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the statement of financial activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in statement of financial activities unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The National Society participates in two pension schemes for the benefit of its employees - the Defined Benefit Pension Scheme (DBS), which is one section of the Church Workers Pension Fund and the Church Administrators Pension Fund which is split into two sections. For employees who joined before 1 July 2006 there is a Defined Benefits Section and for those joining after that date there is a Money Purchase Section. For further details please see note 9.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The National Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Investment properties:

The Society carries its investment properties at fair value being recognised in the Statement of Financial Activities. See note 10 for more information.

Expenditure allocations:

Expenditure is apportioned where it relates to more than one cost category (see note 5).

2. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Interest receivable	368	51	419	7,399
Dividends receivable	438,420	-	438,420	411,463
Rents receivable	45,000	-	45,000	45,000
Total	<u>483,788</u>	<u>51</u>	<u>483,839</u>	<u>463,862</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Section 48 inspections	22,175	(18,675)	3,500	170,050
Diocesan contribution	-	131,550	131,550	-
Total	<u>22,175</u>	<u>112,875</u>	<u>135,050</u>	<u>170,050</u>

4. OTHER INCOME

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Government grants	-	-	-	5,842
Royalties received	1,311	-	1,311	44
Total	<u>1,311</u>	<u>-</u>	<u>1,311</u>	<u>5,886</u>

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Direct costs	Support costs	2021	2020
	£	£	£	£
Shaping Policy	484,863	190,505	675,368	574,529
Developing Leaders	453,667	182,284	635,951	429,225
Total	<u>938,530</u>	<u>372,789</u>	<u>1,311,319</u>	<u>1,003,754</u>

6. ANALYSIS OF SUPPORT COSTS

	2021	2020
	£	£
Staff costs	118,281	87,796
Shared service costs	106,971	65,397
Archiving costs	34,050	38,853
Office rent	31,329	34,066
Audit fees	9,240	13,800
Committee expenses	787	1,834
Legal fees	29,086	20,774
Trustees' indemnity insurance	1,602	878
Other	41,443	32,968
Total	<u>372,789</u>	<u>296,366</u>

All support costs are allocated to charitable activities because any allocation between raising funds and charitable activities is immaterial.

Included in total committee expenses is £787 (2020: £1,675) which had been reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,602 (2020: £878) was paid by the Society. The Honorary Treasurer has chosen not to draw an honorarium.

7. STAFF COSTS

The cost of staff employed by the National Society for the year ended 31 December 2021 is as below:

	2021	2020
	£	£
Gross salaries	606,614	405,839
National insurance	71,826	46,735
Pension costs	75,201	58,672
Total	<u>753,641</u>	<u>511,246</u>

	2021	2020
Average headcount	22	11

Included within these costs is £47,522 (2020: £1,790) termination costs in relation to one (2020: one) employee. The charity considers its key management personnel to consist of the Chief Education Officer, the Executive Director of Education and the Director of SIAMS. During the year the National Society contributed £211,783 (2020: £241,900) in relation to its share of their employee benefits. There were 3 employees (2020: 1 employee) who were paid between £60,001 and £70,000 in relation to work carried out for the National Society.

8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2021	2020
	£	£
Turnover	626,969	674,529
Cost of sales	(588,891)	(460,496)
Profit before taxation	38,078	214,033
Tax on profit	-	-
Charitable donation	(214,033)	(104,491)
	2021	2020
	£	£
Current assets	527,308	550,236
Creditors	(489,130)	(336,103)
Net assets	38,178	214,133
Capital and reserves		
Called up share capital	100	100
Profit and loss account	38,078	214,033
Total shareholder's funds	38,178	214,133

Church of England Educational Services Limited is a trading subsidiary incorporated in England and Wales where the National Society own all 100 £1 ordinary shares. It undertakes a similar activity to the parent. A summary of the trading results are shown above. Audited financial statements have been filed with the Registrar of Companies. The distributable net profit has now been distributed to the National Society as a charitable donation under gift aid.

9. PENSIONS

The National Society participates in two separate pension schemes operated by the Church of England Pensions Board:- the Church of England Defined Benefit Pension Scheme (DBS) (which is one section of the Church Workers Pension Fund) and the Church Administrators Pension Fund which is split into two sections, a defined benefits section and a money purchase section.

Church of England Defined Benefit Pension Scheme (DBS)

This is part of the Church Workers Pension Fund and is operated in respect of staff who joined The National Society before 1 January 2000.

The National Society is unable to identify its share of the underlying assets and liabilities of the DBS as each participating employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and The National Society's future contribution rate was revised with effect from 1 April 2012 and a deficit recovery plan was introduced from the same date. The last fund valuation carried out yields an estimated outstanding deficit at 31 December 2016 of £26,700. Investigations carried out since the last report have identified that some employees previously identified as employees of the National Society were employed under the joint employer arrangements operated by the National Church Institutions (NCIs).

Church Administrators Pension Fund (CAPF)

The National Society, in line with all other National Church Institutions, is now required to contribute towards Church Administrators Pension Fund (CAPF) in respect of staff not included in the DBS and to the overall deficit in the CAPF defined benefit section.

The **Defined Benefit Section** is for members who joined the Fund before 1 July 2006. Each participating employer in the section pays contributions at a common contribution rate applied to their members' Pensionable Salaries.

9. PENSIONS

The Defined Benefit Section is considered to be a multi-employer, last man standing defined benefit pension scheme, as described in Section 28 of FRS 102. The Employer is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with current and former employees of other entities participating in the scheme. 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.

A valuation of this section is carried out every three years, the most recent having been at 31 December 2019. This revealed a deficit of £9.1m. Following the valuation, the employers have collectively entered into an agreement with CAPF to pay contributions of 27.6% of Pensionable Salaries with effect from 1 January 2021. The NCI's as a whole have assumed responsibility for the Society's CAPF DB deficit contributions and therefore there is no liability for the Society.

10. INVESTMENTS

Group	Property Investments		2021	Property Investments		2020
	£	£		£	£	
Market value at 1 January	1,817,500	11,578,755	13,396,255	1,862,857	12,047,564	13,910,421
Disposals	-	(920,410)	(920,410)	-	(933,330)	(933,330)
Acquisitions	-	753,796	753,796	-	910,967	910,967
Gain/ (loss) on revaluation	230,188	1,280,012	1,510,200	(45,357)	(446,446)	(491,803)
Market value at 31 December	2,047,688	12,692,153	14,739,841	1,817,500	11,578,755	13,396,255
Cash held by investment manager	-	164,418	164,418	-	39,597	39,597
Total investment balances	2,047,688	12,856,571	14,904,259	1,817,500	11,618,352	13,435,852
Historical cost at 31 December	30,327	8,244,770	8,275,097	30,327	8,177,372	8,207,699

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2021:

	2021	2020
	£	£
CCLA CBF Investment Fund	1,241,562	1,085,483
CCLA CBF Property Fund	1,009,674	883,655

Charity	Unlisted	Property Investments	2021
	investments		
Market value at 1 January 2021	100	1,817,500	13,396,355
Disposals	-	-	(920,410)
Acquisitions	-	-	753,796
Gain on revaluation	-	230,188	1,510,200
Market value at 31 December 2021	100	2,047,688	14,739,941
Cash held by investment manager	-	-	164,418
Total investment balances	100	2,047,688	14,904,359
Historical cost at 31 December	100	30,327	8,177,372

10. INVESTMENTS (continued)

Charity	Unlisted investments £	Property £	Investments £	2020 £
Market value at 1 January 2020	100	1,862,857	12,047,564	13,910,521
Disposals	-	-	(933,330)	(933,330)
Acquisitions	-	-	910,967	910,967
(Loss) on revaluation	-	(45,357)	(446,446)	(491,803)
Market value at 31 December 2020	100	1,817,500	11,578,755	13,396,355
Cash held by investment manager	-	-	39,597	39,597
Total investment balances	100	1,817,500	11,618,352	13,435,952
Historical cost at 31 December 2020	100	30,327	8,177,372	8,207,799

Unlisted investments are as below:

	Registered Office	Class of shares held	Holding direct	Nature of business
Church of England Educational Services	England	Ordinary	100%	Education

11. DEBTORS

	Group 2021 £	2020 £	Charity 2021 £	2020 £
<i>Amounts due within one year:</i>				
Prepayments & accrued income	128,423	32,919	155,301	32,919
Trade debtors	275,299	203,010	150,267	49,822
Amounts due from subsidiary	-	-	234,033	77,975
	403,722	235,929	539,601	160,716

12. CREDITORS

	Group		Charity	
	2021	2020	2021	2020
<i>Amounts due within one year:</i>	£	£	£	£
Accrued expenditure	176,291	49,988	121,720	26,980
Other taxation and social security	35,169	132,438	-	-
Deferred income	275,725	88,604	275,725	-
Trade creditors	153,002	62,350	108,497	48,272
Other creditors	6,644	1,186	4,728	1,186
	<u>646,831</u>	<u>334,566</u>	<u>510,670</u>	<u>76,438</u>

Reconciliation of deferred income

	2021
	£
Deferred at 1 January 2021	88,604
Released during the year	88,604
Deferred during the year	<u>275,725</u>
Deferred at 31 December 2021	<u>275,725</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2021 are represented by:

Group	Unrestricted funds	Restricted funds	2021	Unrestricted funds	Restricted funds	2020
	£	£	£	£	£	£
Fixed assets	14,904,259	-	14,904,259	13,435,852	-	13,435,852
Current assets	1,180,645	720,547	1,901,192	1,262,755	565,686	1,828,441
Current liabilities	<u>(646,831)</u>	-	<u>(646,831)</u>	<u>(334,566)</u>	-	<u>(334,566)</u>
Total net assets	<u>15,438,073</u>	<u>720,547</u>	<u>16,158,620</u>	<u>14,364,041</u>	<u>565,686</u>	<u>14,929,727</u>

Charity	Unrestricted funds	Restricted funds	2021	Unrestricted funds	Restricted funds	2020
	£	£	£	£	£	£
Fixed assets	14,904,359	-	14,904,359	13,435,952	-	13,435,952
Current assets	1,006,304	720,547	1,726,851	790,494	565,686	1,356,180
Current liabilities	<u>(510,670)</u>	-	<u>(510,670)</u>	<u>(76,438)</u>	-	<u>(76,438)</u>
Total net assets	<u>15,399,993</u>	<u>720,547</u>	<u>16,120,540</u>	<u>14,150,008</u>	<u>565,686</u>	<u>14,715,694</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Reconciliation of movements in unrealised gains on investment assets:

Group	Unrestricted funds		Unrestricted funds	
	2021	2020	2021	2020
	£	£	£	£
Unrealised gains at 1 January	5,228,153	5,228,153	5,365,188	5,365,188
Realised gains in respect of disposals	(234,011)	(234,011)	354,768	354,768
	<u>4,994,142</u>	<u>4,994,142</u>	<u>5,719,956</u>	<u>5,719,956</u>
Net gain arising on revaluations	1,510,200	1,510,200	(491,803)	(491,803)
Unrealised gains at 31 December	<u><u>6,504,162</u></u>	<u><u>6,504,342</u></u>	<u><u>5,228,153</u></u>	<u><u>5,228,153</u></u>

Charity	Unrestricted funds		Unrestricted funds	
	2021	2020	2021	2020
	£	£	£	£
Unrealised gains at 1 January	5,228,153	5,228,153	5,365,188	5,365,188
Realised gains in respect of disposals	(234,011)	(234,011)	354,858	354,768
	<u>4,994,142</u>	<u>4,994,142</u>	<u>5,720,046</u>	<u>5,719,956</u>
Net gain arising on revaluations	1,510,020	1,510,200	(491,803)	(491,803)
Unrealised gains at 31 December	<u><u>6,504,162</u></u>	<u><u>6,504,342</u></u>	<u><u>5,228,243</u></u>	<u><u>5,228,153</u></u>

14. UNRESTRICTED FUNDS

The movements on the unrestricted funds of the Group are as follows:

	Balance as at 1 January 2021			Other movements	Balance as at 31 December 2021
	Income	Expenditure			
	£	£	£	£	£
General Fund	14,170,708	1,105,412	(1,210,728)	1,413,342	15,478,734
Designated funds:					
– SIAMS	1,022	-	-	-	1,022
– Foundation project	192,311	-	-	(192,311)	-
– SIAMS Development Fund	-	50,000	(91,003)	41,003	-
– NPQ Development Fund	-	88,831	(110,266)	21,435	-
Total	<u><u>14,364,041</u></u>	<u><u>1,244,243</u></u>	<u><u>(1,411,997)</u></u>	<u><u>1,283,469</u></u>	<u><u>15,479,756</u></u>

	Balance as at 1 January 2020			Other movements	Balance as at 31 December 2020
	Income	Expenditure			
	£	£	£	£	£
General Fund	14,458,713	1,153,607	(937,159)	(504,453)	14,170,708
Designated funds:					
SIAMS	1,022	-	-	-	1,022
– Foundation project	192,311	-	-	-	192,311
Total	<u><u>14,652,046</u></u>	<u><u>1,153,607</u></u>	<u><u>(937,159)</u></u>	<u><u>(504,453)</u></u>	<u><u>14,364,041</u></u>

The designated funds are held for the following purposes:

Designated fund – SIAMS	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Designated fund – Foundation project This represented the unrestricted part of the Foundation Project which aims to renew the Church’s place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.

Designated fund – SIAMS Development Fund To fund systems and set up for national coordination of SIAMS inspections.

Designated fund – NPQ Development Fund To fund systems and set up for the new range of NPQ programmes.

15. RESTRICTED FUNDS

The income funds of the Society include restricted funds comprising the following unexpended balances of grants held as funds to be applied for specific purposes:

	Balance as at 1 January 2021	Income	Expenditure	Transfers	Balance as at 31 December 2021
	£	£	£	£	£
Foundation	49,200	25,001	(304,136)	255,993	26,059
S48 School Inspections	83,176	112,925	(38,194)	-	157,908
RE, CW & Character Working Group	117,626	15,000	(380)	-	132,246
Fresh Voices	41,565	-	(23,697)	-	17,868
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	-	-	41,371
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	90,014	-	-	-	90,014
Growing Faith Foundation	-	150,000	-	-	150,000
Free Schools Project	18,445	-	(494)	-	17,951
Rural Schools Network	32,658	-	(35,608)	2,950	-
Big Questions in the Classroom	63,612	-	(4,500)	-	59,112
	<u>565,686</u>	<u>302,926</u>	<u>(407,009)</u>	<u>258,943</u>	<u>720,547</u>

	Balance as at 1 January 2020	Income	Expenditure	Transfers	Balance as at 31 December 2020
	£	£	£	£	£
Foundation	360,543	15,083	(326,426)	-	49,200
S48 School Inspections	43,070	170,356	(130,250)	-	83,176
RE, CW & Character Working Group	114,801	15,000	(12,175)	-	117,626
Fresh Voices	41,565	-	-	-	41,565
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	41,371	-	-	-	41,371
Resourcing School Worship	5,815	-	-	-	5,815
Big Story App	90,014	-	-	-	90,014
Free Schools Project	20,910	-	(2,465)	-	18,445
Admissions Builder	2,500	-	(15,150)	12,650	-
Rural Schools Network	-	35,000	(2,342)	-	32,658
Big Questions in the Classroom	-	63,612	-	-	63,612
	<u>742,793</u>	<u>299,051</u>	<u>(488,808)</u>	<u>12,650</u>	<u>565,686</u>

16. RESTRICTED FUNDS (continued)

The funds are held for the following purposes:

Foundation for Educational Leadership	Project to renew the Church’s place in a rapidly changing education system by equipping leaders of the future with understanding, skills and character to deliver a transformational education.
S48 School Inspections	Funding for school inspections required under Section 48 of the Education Act 2005.
RE, CW & Character Working Group	Funding to improve the quality of religious education in Church of England Schools.
Fresh Voices	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
Unlocking Gifts	Project to support Diocesan bids to raise school achievement.
Living Well Together Project	Project to provides a welcome first step to more collaborative working, for the common good of society.
CSoF: Church School of the Future	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
National Governance Resources	Funding for a suite of resources for school governance.
Resourcing School Worship	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
Valuing All God’s Children	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
Free Schools Project	To support dioceses in the bidding process for the government’s free schools project.
Admissions Builder	Creation of a new admissions platform.
Big Story App	Funding to develop digital resources for the Growing Faith Foundation.
Big Questions in the Classroom	Funding to run a Science and Belief research programme as part of the Big Questions in the Classroom project, working with our secondary schools network.
Growing Faith Foundation	Core funding of the new Growing Faith Foundation.

16. RELATED PARTIES

A number of the Trustees are employed by their local Diocese who work closely with the Charity in the course of normal charity operations.

17. TRUSTEESHIP

The National Society is the Trustee at 31 December 2021 for the following trusts:

Alton School Teachers House
 Knighton School
 Vaughan Trust
 Walcot School

Trusts transferred or closed by 31 December 2021 - None

The assets held on behalf of these trusts are held in the name of the National Society Trusts Funds and comprise:

	2021		2020	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	139,409	5,691	121,883
RBS Deposit Account	7,474	7,474	7,474	7,474
	<u>13,165</u>	<u>146,883</u>	<u>13,165</u>	<u>129,357</u>









Updated National Society accounts 2021 - For Signature

Final Audit Report

2022-07-18

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