

**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 2022

Registered Charity number 313070

## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Mission Statement</b>	Deeply Christian, Serving the Common Good.	
<b>Legal structure</b>	Established 1811 Incorporated by Royal Charter Supplemental Charters granted 1934, 1972, 1985, 1987, 1997, 2015	
<b>Patron</b>	Her Majesty The Queen	
<b>Co-Presidents</b>	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
<b>Chairman</b>	Rt Revd Paul Butler, Bishop of Durham	
<b>Hon Treasurer</b>	Revd Canon Peter Ballard	
<b>Chief Education Officer</b>	Revd Canon Nigel Genders	
<b>Offices</b>	Church House Great Smith Street London SW1P 3AZ	
<b>Telephone</b>	020 7898 1066	
<b>Email</b>	lisa.osborne@churchofengland.org	
<b>Website</b>	<a href="http://www.churchofengland.org">www.churchofengland.org</a>	
<b>Auditors</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
<b>Bankers</b>	The Royal Bank of Scotland Plc Drummonds Branch 49 Charing Cross London SW1A 2DX	Lloyds Bank Plc 1 Legg Street Essex
<b>Investment Managers</b>	CCLA Ltd Senator House 85 Queen Victoria Street London SW1E 5JL	JM Finn & Co 4 Coleman Street London EC2R 5TA
<b>Solicitors</b>	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 8 June 2023 are shown below.

<b>Chair</b>	Rt Revd Paul Butler, Bishop of Durham	
<b>Treasurer</b>	Revd Canon Peter Ballard	
<b>Other Council members</b>	<b>Name</b>	<b>Appointed / elected by</b>
	Professor David Ford (until June 2022)	Archbishops of Canterbury and York
	Canon Simon Lloyd	Governing Body of Church in Wales
	Rt Revd June Osborne (until February 2022)	Governing Body of Church in Wales
	Mrs Rosemary Lyon	General Synod
	Revd Jeremy Fletcher	Archbishops of Canterbury and York
	Mrs Marion Plant	Archbishops of Canterbury and York
	Mr Andrew Smith	Co-option
	Canon Dr Addy Lazz-Onyenobi	General Synod
	Professor Jean-Noel Ezingear	Co-option
	Ms Sonia Thompson	Co-option
	Rt Revd Mary Stallard (from February 2022)	Governing Body of Church in Wales
	Canon Rachel Howie (from January 2023)	Archbishops of Canterbury and York
<b>Finance, Investment, Risk &amp; Audit Committee</b>	Revd Canon Peter Ballard ( <i>Chair</i> )	
	Ms Michelle Brissett	
	Ven. Douglas Dettmer	
	Revd Canon Nigel Genders	
	Mrs Rosalind Williams	
	Canon Carolyn Lewis	
	Canon Simon Lloyd (from November 2022)	
<b>Nominations Committee</b>	Revd Canon Peter Ballard ( <i>Chair</i> )	
	Mrs Marion Plant	
	Revd Canon Nigel Genders	
<b>Chief Education Officer</b>	Revd Canon Nigel Genders	
<b>Website</b>	<a href="http://www.churchofengland.org">www.churchofengland.org</a>	

## 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 2022. 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 2022

*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"> <li>• Investments are diversified with two different managers, each investing in a diversified multi-asset portfolio</li> <li>• Performance of fund managers are monitored by the Finance and Investment Committee</li> <li>• Management accounts are monitored by the Finance and Investment Committee to monitor activities against budget and expectations</li> <li>• Regular review of business plan and objectives taking into account available resources</li> </ul>
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"> <li>• Investment in good relationships with major stakeholders</li> <li>• Monitoring of government developments and responding to consultations as necessary</li> <li>• Regular communications with key stakeholders, in particular maintaining information flows with dioceses and schools</li> <li>• Regular reporting to General Synod and House of Bishops</li> </ul>
IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives	<ul style="list-style-type: none"> <li>• A pan-NCI business continuity plan is in place which encompasses IT disaster recovery</li> <li>• 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</li> <li>• A COVID-19 Business Continuity group, which works across all of the NCIs, has been meeting since 2020</li> </ul>
Failure to develop the Foundation work such that it is not sustainable	<ul style="list-style-type: none"> <li>• Foundation well established through online community, successful national conference and regional networks</li> <li>• New NPQ programme bid was successful which will expand the reach of the Foundation</li> </ul>

## 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 and Church in Wales in line with the Church of England's role as the largest single provider of education in England and 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 and offers support to the provincial director of Education in Wales in relation to Education matters in Wales. The National Society's strategic plan is summarised as follows:

*The National Society 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 the Church of England 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 parishes, Diocesan Boards of Education, schools, colleges and 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.

## 2022 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 continued to develop at scale.

In late 2021 the government had to retender the contract to provide National Professional Qualifications (NPQs) and as the result of an intensive process of bidding, the National Society has successfully been awarded the Framework Agreement for the next five years of NPQ delivery for the suite of NPQs. Cohorts 3 and 4 of these programmes were successfully recruited and ran in 2022, with a further call off contract being agreed to deliver even larger numbers in cohorts 5 and 6 in 2022/23. After initial difficulties recruiting participants (experienced by all lead providers) we have successfully flexed the delivery approach and recruited over 90% of our target numbers such that we will have nearly 4000 participants enrolled in these latest two cohorts.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

However, our leadership development work is not solely focussed on NPQs and we have developed an additional offer (NPQ+) to provide further opportunities for leaders to develop their work on ethos, character and culture and a broader range of subjects than is possible in the time available within the set NPQ curriculum.

The Council has continued to invest in the systems and infrastructure required to run this leadership development programme at scale and the staff team has grown accordingly.

This year has also seen a focus on younger leadership with the acquisition of the Archbishops' Young Leaders Award (AYLA). This transfer to the National Society involved two elements. First, the asset transfer of the Archbishop of York Young Leaders Award (and all its materials, IPR, systems and data) along with the TUPE transfer of eight staff into the NS team. The transfer took place on 15 July 2022, with the original Archbishop of York Youth Trust formally closing as a separate charity itself in late November 2022. Secondly, the work to embed the core product in the wider offer of the NS, including rebranding to the Archbishops' Young Leaders Award (securing the endorsement of the Archbishops of York, Canterbury and Wales), and launching the award in Wales. We have begun the process of integrating operational systems, financial processes and databases, including the design and implementation of a revised pricing structure, delivery mechanism and the first steps towards integration into the NS's Salesforce CRM systems. We have also begun to embed the offer of AYLA into the wider Education Office offer, including the ability to promote the award to a wider range of schools, MATs and Dioceses. The AYLA team has also played a key role in the National Younger Leadership Groups, and delivered the student leadership stream at the National Conference in January 2023.

### **Shaping Policy (Schools, FE and HE)**

The fact that the Church of England and Church in Wales provide a quarter of all primary schools and is a statutory provider for 1 million children and young people enables us to have a voice on a range of policy areas. The policy work is a vital element of our core business. March 2022 saw the publication of the government White Paper which set out the clear expectation that the school system would move to a fully academy trust-based system by 2030. We worked extremely well with government ministers and DfE officials to ensure the future provision of Church of England schools was secured through the provisions in the subsequent Schools Bill, safeguarding and strengthening the statutory basis of religious character in academies, and significant improvements to the treatment of site trustee land for the future. Unfortunately the political turmoil that followed in the summer of 2022, with the resignation of two prime ministers and having five Secretary of States for Education over the course of a 12 month period, resulted in the withdrawal of the Schools Bill at the end of the year. Nevertheless, work has continued and we have found other ways to secure these provisions without the Schools Bill. The lack of government imperative to join strong academy trusts within a set timescale will lead to a continued mixed economy of schools and trusts and it is vital that diocesan boards of education maintain a strategic view to develop and secure their schools in structural groups if they are to secure church school provision for the future.

The national delivery of SIAMS has led through the complexity of pausing and restarting inspections as a result of the Covid-19 pandemic and as well as recruiting and training further inspectors, we have launched a new SIAMS framework to bring renewed focus on the theological underpinning of Christian vision for a school. This framework was announced in the Autumn of 2022 and will be used from September 2023, giving schools and inspectors the necessary lead in time to manage the new framework. The new inspection framework will continue to make judgements about the way the Christian character of the school drives the quality of education and enables children to flourish, but it will no longer summarise this with single word grades.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work as is our work on equity, diversity and inclusion. The Archbishops' Council and Racial Justice Commission have funded a range of educational activities in this area and in 2022 we developed our *Leaders Like Us* programme which will equip UKME/GMH school leaders for the future. The first cohort of over 40 such leaders was recruited in 2022 with a launch event in January 2023.

The National Society continues to develop its aspirations to engage in Further Education (FE) and 2022 saw the development of a strategic proposal to work with chaplaincy, apprenticeships and the green skills agenda in a way that enables the development of a group of FE colleges that want to be more closely associated with the Church of England. 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 launched its Growing Faith Foundation, with a small central team having been established from September 22 and already making a massive impact through the development of programmes from strategic leaders of Growing Faith across dioceses and multiple networks, connecting communities of different sorts to resource people involved in the Growing Faith work. These are amplifying good practice and developing innovative approaches in the field. The range of networks is varied and include a network for the parachurch organisations; an Estates Ministry network; Listening and responding to the voice of children and young; Serving the local school; In development are: Developing a parent-discipling community; Hubs working together; Toddler group leaders; Home Educators and Growing Faith; Developing a Christian Vision for School together; Ordinands for Growing Faith; Youth Workers for Growing Faith; Chaplaincy and Growing Faith; Outdoor church network. The way dioceses, churches and schools are embracing this work suggests that the culture change is happening and there seems a real determination to prioritise mission and ministry with children and young people in churches, schools and households.

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 and Secondary schools across the country. 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.

## **Partnership with the Church in Wales**

This year has seen significant deepening of our work in partnership with the Church in Wales. A suite of proposals has been agreed by the Bench of Bishops and Representative Body to develop a deepening partnership in education between Church in Wales Education and the Church of England while at the same time growing capacity within the Church in Wales Education team. The proposals sit within the three broad themes of Developing Leaders, Shaping Policy and Ministry Development in Schools as part of the wider mission of the Church in Wales or Growing Faith as it is known in the Church of England. The proposals are varied and can either be classified as projects which require short term input in order to set programmes in motion which will have more lasting impact, or more strategic work intended to ensure all our schools understand what it is to part of the family of the Church in Wales and to place children and young people firmly at the heart of our mission to grow a younger Church.

## ***Future plans***

The main priority for 2023 will be to ensure our partnerships and engagement strategy secures the participants needed for NPQs, the development of NPQ+, the participation in AYLA and the continued growth of our networks for leaders at all levels, including the development of the Growing Faith Foundation. The smooth introduction of the new SIAMS framework and the continued development of the systems and infrastructure needed to deliver all of this extended work will also remain a priority.

The National Society has committed to working with bishops of the Church of England to ensure that school leaders and clergy are able to navigate the complexity of the outworking of the church's Living in Love and Faith process in a way that helps schools in the teaching of relationships and sex education as well as continuing to ensure that all children and their families feel safe and included in the life of our church schools. As part of our commitment to the Church's ministry with children and young people, the NS will continue to develop the work of the Growing Faith Foundation and its equivalent in Wales, to ensure the growth of leaders and worshipping communities focused on the school/church/household partnership.

## Financial Review

### *Summary of Results*

Total consolidated income for the year was £3,386,192, being an increase of £1,839,023 on the previous year (2021: £1,547,169). Total consolidated expenditure for the year was £3,978,678, an increase of £2,045,157 on the previous year (2021: £1,933,521). Net expenditure for the year was £592,487 before total investment losses of £1,727,777 (2021: Net expenditure of £386,352 before total investment gains of £1,510,201). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a loss of £291,277 (2021: a loss £66,966 (restated)), with a turnover of £1,922,423 (2021: £626,969) and total expenditure of £2,213,700 (2021: £693,935 (restated)).

### *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*

2022 was a turbulent year for the markets which suffered a series of shocks in relation to the invasion of Ukraine and the political turmoil closer to home. Total stocks and shares investment income increased by £7,691 to £446,111 in 2022, representing an income yield of 3.7% in 2022 (2021: 3.5%). Total losses on the stocks and shares investments were £1,621,839 (2021: gain of £1,280,212).

During the year the Society has reassessed the value of its investment properties and has booked a revaluation gain of £56,000 in respect of Fairwinds, and a revaluation loss in respect of £161,938 in respect of Great Peter Street, resulting in a total revaluation loss of £105,938.

### *The effectiveness of fund-raising activities*

The Society carried out no general fund-raising activities during 2022 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 2022, the Society held total reserves of £13,680,003 of which £709,683 was held in restricted funds. Unrestricted reserves totalled £12,970,320 of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £12,969,298 and excluding unrestricted investment balances of £12,795,768 gives a balance of £173,530.

The Society's target is to hold between 3 and 6 months of unrestricted expenditure (along with a £400,000 buffer to reflect the fact that the trading subsidiary is not currently expected to be profit making), as free reserves excluding unrestricted investment balances. This equates to between £538,484 and £1,076,967. The current balance is outwith these parameters and the trustees will review the reserves policy during the year to ensure that it remains fit for the Society's purposes.

### *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.

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.

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 8 June 2023 and signed on its behalf by:

*Paul Butler*

Paul Butler (Jun 8, 2023 16:32 GMT+1)

**Rt Revd Paul Butler**  
**Chairman**

*P. J. Ballard*

P. J. Ballard (Jun 20, 2023 14:46 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 2022 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 2022 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](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 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 27 September 2023

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 2022

Consolidated	Notes	Unrestricted Funds	Restricted Funds	2022 Total	Unrestricted Funds	Restricted Funds	2021 Total
		£	£	£	£	£	As restated £
<b>Income from:</b>							
Donations and legacies		13,579	271,000	<b>284,579</b>	110,000	190,000	300,000
Charitable activities	3	10,625	434,775	<b>445,400</b>	22,175	112,875	135,050
Other trading activities		1,922,197	-	<b>1,922,197</b>	626,969	-	626,969
Investments	2	499,353	1,467	<b>500,820</b>	483,788	51	483,839
Other income	4	229,819	3,376	<b>233,195</b>	1,311	-	1,311
<b>Total income</b>		<u>2,675,573</u>	<u>710,618</u>	<b><u>3,386,191</u></b>	<u>1,244,243</u>	<u>302,926</u>	<u>1,547,169</u>
<b>Expenditure on:</b>							
Raising funds		45,247	-	<b>45,247</b>	47,202	-	47,202
Charitable activities	5	1,708,687	880,343	<b>2,589,030</b>	904,311	407,008	1,311,319
Other trading expenditure (as restated)		1,351,204	-	<b>1,351,204</b>	621,506	-	621,506
<b>Total expenditure</b>		<u>3,105,138</u>	<u>880,343</u>	<b><u>3,985,481</u></b>	<u>1,573,019</u>	<u>407,008</u>	<u>1,980,027</u>
<b>Net (expenditure) income before gains/(losses) on investments (as restated)</b>							
		(429,565)	(169,725)	<b>(599,290)</b>	(328,776)	(104,082)	(432,858)
Gains/(losses) on investments	10	(1,727,777)	-	<b>(1,727,777)</b>	1,510,201	-	1,510,201
<b>Net income (expenditure) (as restated)</b>		<u>(2,157,342)</u>	<u>(169,725)</u>	<b><u>(2,327,067)</u></b>	<u>1,181,425</u>	<u>(104,082)</u>	<u>1,077,343</u>
<b>Transfers between funds</b>	15	(158,861)	158,861	-	(258,943)	258,943	-
<b>Net movement in funds (as restated)</b>		<u>(2,316,203)</u>	<u>(10,864)</u>	<b><u>(2,327,067)</u></b>	<u>922,482</u>	<u>154,861</u>	<u>1,077,343</u>
Total funds at 1 January (as restated):		15,286,523	720,547	<b>16,007,070</b>	14,364,041	565,686	14,929,727
<b>Total funds at 31 December (as restated):</b>		<u>12,970,320</u>	<u>709,683</u>	<b><u>13,680,003</u></b>	<u>15,286,523</u>	<u>720,547</u>	<u>16,007,070</u>

Changes to the total funds brought forward as at 1 January 2022 resulting from a prior period adjustment are set out below:

Total funds as at 31 December 2021 as previously reported:	£
Prior year adjustment (as explained in note 1)	16,158,620
Total funds as at 31 December 2021 restated:	(151,550)
	<u>16,007,070</u>

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 2022

	Notes	Group		Charity	
		2022 Total £	2021 Total As restated £	2022 Total £	2021 Total £
<b>Fixed assets</b>					
Investment property	10	1,941,750	2,047,688	1,941,750	2,047,688
Investments	10	11,180,456	12,856,571	11,180,556	12,856,671
		<b>13,122,206</b>	14,904,259	<b>13,122,306</b>	14,904,359
<b>Current assets</b>					
Debtors	11	707,577	403,722	597,290	539,601
Cash & cash equivalents		726,277	1,497,470	691,046	1,187,250
		<b>1,433,854</b>	1,901,192	<b>1,288,336</b>	1,726,851
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(876,057)	(798,381)	(319,087)	(510,670)
<b>Net current assets</b>		<b>557,797</b>	1,102,811	<b>969,249</b>	1,216,181
<b>Total net assets</b>		<b>13,680,003</b>	16,007,070	<b>14,091,555</b>	16,120,540
<b>The funds of the charity:</b>					
Restricted funds		709,683	720,547	709,683	720,547
Unrestricted funds:					
. Designated funds		1,022	1,022	1,022	1,022
. General funds		12,969,298	15,285,501	13,380,850	15,398,971
<b>Total funds</b>	13	<b>13,680,003</b>	16,007,070	<b>14,091,555</b>	16,120,540

Changes to the total net assets and total funds brought forward as at 1 January 2022 resulting from a prior period adjustment are set out below:

	2021 £
Total net assets and funds as at 31 December 2021 as previously reported:	16,158,620
Prior year adjustment (as explained in note 1)	(151,550)
Total net assets and funds as at 31 December 2021 restated:	<u>16,007,070</u>

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 8 June 2023 and signed on its behalf by:

*Paul Butler*  
Paul Butler (Jun 8, 2023 16:32 GMT+1)  
**Rt Revd Paul Butler**  
Chairman

*P. J. Ballard*  
P. J. Ballard (Jun 20, 2023 14:46 GMT+1)  
**Revd Canon Peter Ballard**  
Honorary Treasurer

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		£	As restated £
<b>Net income / (expenditure) for the year (as per the statement of financial activities)</b>		<b>(2,327,067)</b>	1,077,343
Investment income	2	<b>(500,820)</b>	(483,839)
(Gains) / losses on investments	10	<b>1,621,839</b>	(1,280,012)
Increase / (decrease) in creditors	12	<b>77,676</b>	463,815
(Increase) in debtors	11	<b>(303,855)</b>	(167,792)
<b>Net cash flow used in operating activities</b>		<b>(1,432,227)</b>	(390,485)
<b>Cash flows from investing activities</b>			
Investment income received	2	<b>500,820</b>	483,839
Purchase of investments	10	<b>(773,721)</b>	(753,796)
Sales of investments	10	<b>668,943</b>	920,410
Revaluation gain on investment property	10	<b>105,938</b>	(230,188)
<b>Net cash flow provided by / (used in) investing activities</b>		<b>501,980</b>	420,265
Change in cash and cash equivalents in the year		<b>930,247</b>	29,780
Cash and cash equivalents at 1 January 2022		<b>1,661,888</b>	1,632,109
<b>Cash and cash equivalents at 31 December 2022</b>		<b>731,641</b>	1,661,888
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		<b>726,277</b>	1,497,470
Cash held by investment managers	10	<b>5,364</b>	164,418
		<b>731,641</b>	1,661,888

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).

### Prior year adjustment

The accounts have been restated to incorporate the impact of expenditure which related to 2021 but was not charged to the profit and loss account until 2022. This restatement has resulted in total shareholders funds as at 31 December 2021 decreasing by £151,550.

Summary of the prior year accounting impact:

	<b>£</b>
Increase in expenditure (profit and loss account)	151,550
Increase in accrued expenditure (balance sheet account)	151,550
Decrease in net assets as at 31 December 2021	(151,550)

## 2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	<b>2022</b> £	2021 £
Interest receivable	8,242	1,467	<b>9,709</b>	419
Dividends receivable	446,111	-	<b>446,111</b>	438,420
Rents receivable	45,000	-	<b>45,000</b>	45,000
<b>Total</b>	<u>499,353</u>	<u>1,467</u>	<u><b>500,820</b></u>	<u>483,839</u>

## 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	<b>2022</b> £	2021 £
Section 48 inspections	10,625	218,325	<b>228,950</b>	3,500
Diocesan contribution	-	216,450	<b>216,450</b>	131,550
<b>Total</b>	<u>10,625</u>	<u>434,775</u>	<u><b>445,400</b></u>	<u>135,050</u>

**4. OTHER INCOME**

	Unrestricted funds	Restricted funds	2022	2021
	£	£	£	£
	229,706	3,376	<b>233,082</b>	-
Royalties received	113	-	<b>113</b>	1,311
<b>Total</b>	<b>229,819</b>	<b>3,376</b>	<b>233,195</b>	<b>1,311</b>

**5. ANALYSIS OF CHARITABLE EXPENDITURE**

	Direct costs	Support costs	2022	2021
	£	£	£	£
Shaping Policy	860,136	385,113	<b>1,245,249</b>	675,368
Developing Leaders	989,929	134,577	<b>1,124,506</b>	635,951
Growing Faith Foundation	198,453	20,822	<b>219,275</b>	-
<b>Total</b>	<b>2,048,518</b>	<b>540,512</b>	<b>2,589,030</b>	<b>1,311,319</b>

Included within charitable expenditure is a net loss of £24,837, in relation to the acquisition of the Archbishop of York Youth Trust's Young Leaders award.

**6. ANALYSIS OF SUPPORT COSTS**

	2022	2021
	£	£
Staff costs	<b>83,930</b>	118,281
Shared service costs	<b>178,510</b>	106,971
Archiving costs	<b>46,266</b>	34,050
Office rent	<b>27,879</b>	31,329
Audit fees	<b>16,850</b>	9,240
Committee expenses	<b>7,914</b>	787
Legal fees	<b>123,717</b>	29,086
Trustees' indemnity insurance	<b>1,064</b>	1,602
Other	<b>54,382</b>	41,443
<b>Total</b>	<b>540,512</b>	<b>372,789</b>

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 £2,009 (2021: £787) which had been reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,064 (2021: £1,602) 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 2022 is as below:

	<b>2022</b>	2021
	<b>£</b>	£
Gross salaries	<b>1,121,834</b>	606,614
National insurance	<b>129,290</b>	71,826
Pension costs	<b>135,828</b>	75,201
<b>Total</b>	<b><u>1,386,952</u></b>	<u>753,641</u>

	<b>2022</b>	2021
Average headcount	<b>30</b>	22

Included within these costs is £nil (2021: £47,522) termination costs in relation to zero (2021: one) employees. The charity considers its key management personnel to consist of the Chief Education Officer, the Executive Director of Education, the Director of SIAMS, the Head of Operations and the Head of Professional Learning. During the year the National Society contributed £327,622 (2021: £211,783) in relation to its share of their employee benefits. There were 2 employees (2021: 3 employees) who were paid between £60,001 and £70,000, and one employee (2021: 0 employees) who was paid between £70,001 and £80,000 in relation to work carried out for the National Society.

## 8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	<b>2022</b>	2021
	<b>£</b>	As restated £
Turnover	<b>1,922,423</b>	626,969
Cost of sales	<b>(2,220,503)</b>	(740,441)
Profit before taxation	<b>(298,080)</b>	(113,472)
Tax on profit	-	-
Charitable donation	-	(214,033)

	<b>2022</b>	2021
	<b>£</b>	£
Current assets	<b>614,544</b>	527,308
Creditors	<b>(1,025,996)</b>	(640,680)
Net assets	<b>(411,452)</b>	(113,372)

### Capital and reserves

Called up share capital	<b>100</b>	100
Profit and loss account	<b>(411,552)</b>	(113,472)
Total shareholder's funds	<b>(411,452)</b>	(113,372)

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 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.

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 NCIs 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		2022	Property Investments		2021
	£	£	£	£	£	£
Market value at 1 January	2,047,688	12,692,153	<b>14,739,841</b>	1,817,500	11,578,755	13,396,255
Disposals	-	(668,943)	<b>(668,943)</b>	-	(920,410)	(920,410)
Acquisitions	-	773,721	<b>773,721</b>	-	753,796	753,796
Gain/ (loss) on revaluation	(105,938)	(1,621,839)	<b>(1,727,777)</b>	230,188	1,280,012	1,510,200
<b>Market value at 31 December</b>	<u>1,941,750</u>	<u>11,175,092</u>	<b>13,116,842</b>	<u>2,047,688</u>	<u>12,692,153</u>	<u>14,739,841</u>
Cash held by investment manager	-	5,364	<b>5,364</b>	-	164,418	164,418
<b>Total investment balances</b>	<u>1,941,750</u>	<u>11,180,456</u>	<b>13,122,206</b>	<u>2,047,688</u>	<u>12,856,571</u>	<u>14,904,259</u>
<b>Historical cost at 31 December</b>	30,327	8,371,010	<b>8,401,337</b>	<b>30,327</b>	<b>8,177,372</b>	<b>8,207,699</b>

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2022:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
CCLA CBF Investment Fund	<b>1,096,058</b>	<b>1,241,562</b>
CCLA CBF Property Fund	<b>891,215</b>	<b>1,009,674</b>

	Unlisted investments	Property	Investments	<b>2022</b>
<b>Charity</b>	£	£	£	£
Market value at 1 January 2022	100	2,047,688	12,692,153	<b>14,739,941</b>
Disposals	-	-	(668,943)	<b>(668,943)</b>
Acquisitions	-	-	773,721	<b>773,721</b>
Loss on revaluation	-	(105,938)	(1,621,839)	<b>(1,727,777)</b>
<b>Market value at 31 December 2022</b>	<b>100</b>	<b>1,941,750</b>	<b>11,175,092</b>	<b>13,116,942</b>
Cash held by investment manager	-	-	5,364	<b>5,364</b>
<b>Total investment balances</b>	<b>100</b>	<b>1,941,750</b>	<b>11,180,456</b>	<b>13,122,306</b>
Historical cost at 31 December	100	30,327	8,371,010	<b>8,401,437</b>

	Unlisted investments	Property	Investments	<b>2021</b>
<b>Charity</b>	£	£	£	£
Market value at 1 January 2021	100	1,817,500	11,578,755	<b>13,396,355</b>
Disposals	-	-	(920,410)	<b>(920,410)</b>
Acquisitions	-	-	753,796	<b>753,796</b>
Gain on revaluation	-	230,188	1,280,012	<b>1,510,200</b>
<b>Market value at 31 December 2021</b>	<b>100</b>	<b>2,047,688</b>	<b>12,692,153</b>	<b>14,739,941</b>
Cash held by investment manager	-	-	164,418	<b>164,418</b>
<b>Total investment balances</b>	<b>100</b>	<b>2,047,688</b>	<b>12,856,571</b>	<b>14,904,359</b>
Historical cost at 31 December 2021	100	30,327	8,177,372	<b>8,207,799</b>

Unlisted investments are as below:

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

**11. DEBTORS**

	<b>Group 2022</b>	2021	<b>Charity 2022</b>	2021
	£	£	£	£
<i>Amounts due within one year:</i>				
Prepayments & accrued income	<b>140,352</b>	128,423	<b>24,755</b>	155,301
Trade debtors	<b>567,225</b>	275,299	<b>103,509</b>	150,267
Amounts due from subsidiary	-	-	<b>469,026</b>	234,033
	<b>707,577</b>	403,722	<b>597,290</b>	539,601

**12. CREDITORS**

	Group		Charity	
	2022	2021 As restated	2022	2021
<i>Amounts due within one year:</i>	£	£	£	£
Accrued expenditure	<b>387,964</b>	327,841	<b>102,170</b>	121,720
Other taxation and social security	<b>141,478</b>	35,169	<b>489</b>	-
Deferred income	<b>157,500</b>	275,725	<b>157,500</b>	275,725
Trade creditors	<b>173,054</b>	153,002	<b>42,867</b>	108,497
Other creditors	<b>16,061</b>	6,644	<b>16,061</b>	4,728
	<b><u>876,057</u></b>	<u>798,381</u>	<b><u>319,087</u></b>	<u>510,670</u>

**Reconciliation of deferred income**

	2022 £
Deferred at 1 January 2022	275,725
Released during the year	(275,725)
Deferred during the year	<u>157,500</u>
Deferred at 31 December 2022	<u><u>157,500</u></u>

£157,500 was deferred during the year in respect of SIAMS inspections planned for 2023.

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 December 2022 are represented by:

	Unrestricted funds	Restricted funds	2022	Unrestricted funds	Restricted funds	2021
	£	£	£	As restated £	£	As restated £
<b>Group</b>						
Fixed assets	12,795,668	326,538	<b>13,122,206</b>	14,904,259	-	<b>14,904,259</b>
Current assets	1,050,709	383,145	<b>1,433,854</b>	1,180,645	720,547	<b>1,901,192</b>
Current liabilities	(876,057)	-	<b>(876,057)</b>	(798,381)	-	<b>(798,381)</b>
<b>Total net assets</b>	<u>12,970,320</u>	<u>709,683</u>	<b><u>13,680,003</u></b>	<u>15,286,523</u>	<u>720,547</u>	<b><u>16,007,070</u></b>
<b>Charity</b>						
Fixed assets	12,795,768	326,538	<b>13,122,306</b>	14,904,359	-	<b>14,904,359</b>
Current assets	905,191	383,145	<b>1,288,336</b>	1,006,304	720,547	<b>1,726,851</b>
Current liabilities	(319,087)	-	<b>(319,087)</b>	(510,670)	-	<b>(510,670)</b>
<b>Total net assets</b>	<u>13,381,872</u>	<u>709,683</u>	<b><u>14,091,555</u></b>	<u>15,399,993</u>	<u>720,547</u>	<b><u>16,120,540</u></b>

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

Reconciliation of movements in unrealised gains on investment assets:

Group	Unrestricted funds		Unrestricted funds	
	2022	2021	2022	2021
	£	£	£	£
Unrealised gains at 1 January	6,504,162	6,504,162	5,228,153	5,228,153
Realised losses in respect of disposals	(55,516)	(55,516)	(234,011)	(234,011)
			4,994,142	4,994,142
Net gain arising on revaluations	(1,727,777)	(1,727,777)	1,510,200	1,510,200
<b>Unrealised gains at 31 December</b>	<b>4,720,869</b>	<b>4,720,869</b>	<b>6,504,162</b>	<b>6,504,162</b>

Charity	Unrestricted funds		Unrestricted funds	
	2022	2021	2022	2021
	£	£	£	£
Unrealised gains at 1 January	6,504,162	6,504,162	5,228,153	5,228,153
Realised gains in respect of disposals	(55,516)	(55,516)	(234,011)	(234,011)
			4,994,142	4,994,142
Net gain arising on revaluations	(1,727,777)	(1,727,777)	1,510,020	1,510,020
<b>Unrealised gains at 31 December</b>	<b>4,720,869</b>	<b>4,720,869</b>	<b>6,504,162</b>	<b>6,504,162</b>

**14. UNRESTRICTED FUNDS**

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

	Balance as at 1 January 2022				Other movements	Balance as at 31 December 2022
	Income	Expenditure	As restated			
	£	£	£	£	£	£
General Fund	15,285,501	2,675,573	(3,098,412)	(1,893,364)		12,969,298
Designated funds:						
– SIAMS	1,022	-	-	-		1,022
– SIAMS Development Fund	-	-	(4,795)	4,795		-
– NPQ Development Fund	-	-	(1,931)	1,931		-
<b>Total</b>	<b>15,286,523</b>	<b>2,675,573</b>	<b>(3,105,138)</b>	<b>(1,886,638)</b>		<b>12,970,320</b>

	Balance as at 1 January 2021				Other movements	Balance as at 31 December 2021
	Income	Expenditure	As restated			
	£	£	£	£	£	£
General Fund	14,170,708	1,105,412	(1,371,750)	1,381,131		15,285,501
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		-
<b>Total</b>	<b>14,364,041</b>	<b>1,244,243</b>	<b>(1,573,019)</b>	<b>1,251,258</b>		<b>15,286,523</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

The designated funds are held for the following purposes:

<b>SIAMS</b>	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
<b>Foundation project</b>	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.
<b>SIAMS Development Fund</b>	To fund systems and set up for national coordination of SIAMS inspections.
<b>NPQ Development Fund</b>	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 2022	Income	Expenditure	Transfers	Balance as at 31 December 2022
	£	£	£	£	£
Foundation	26,059	3,167	(162,028)	158,861	<b>26,059</b>
S48 School Inspections	157,907	436,242	(404,692)	-	<b>189,457</b>
RE, CW & Character Working Group	132,246	15,000	(50,469)	-	<b>96,777</b>
Fresh Voices	17,868	-	(483)	-	<b>17,385</b>
Unlocking Gifts	17,800	-	-	-	<b>17,800</b>
Living Well Together	4,404	-	-	-	<b>4,404</b>
CSoF: Church School of the Future	41,371	-	(34,835)	-	<b>6,536</b>
Resourcing School Worship	5,815	-	(1,350)	-	<b>4,465</b>
Big Story App	90,014	-	(1,750)	-	<b>88,264</b>
Growing Faith Foundation	150,000	256,209	(221,561)	-	<b>184,648</b>
Free Schools Project	17,951	-	-	-	<b>17,951</b>
Big Questions in the Classroom	59,112	-	(3,175)	-	<b>55,937</b>
	<u>720,547</u>	<u>710,618</u>	<u>(880,343)</u>	<u>158,861</u>	<u><b>709,683</b></u>

A transfer was made from the general fund to cover expenditure relating to the work of the Foundation.

	Balance as at 1 January 2021	Income	Expenditure	Transfers	Balance as at 31 December 2021
	£	£	£	£	£
Foundation	49,200	25,001	(304,135)	255,993	<b>26,059</b>
S48 School Inspections	83,176	112,925	(38,194)	-	<b>157,907</b>
RE, CW & Character Working Group	117,626	15,000	(380)	-	<b>132,246</b>
Fresh Voices	41,565	-	(23,697)	-	<b>17,868</b>
Unlocking Gifts	17,800	-	-	-	<b>17,800</b>
Living Well Together	4,404	-	-	-	<b>4,404</b>
CSoF: Church School of the Future	41,371	-	-	-	<b>41,371</b>
Resourcing School Worship	5,815	-	-	-	<b>5,815</b>
Big Story App	90,014	-	-	-	<b>90,014</b>
Free Schools Project	-	150,000	-	-	<b>150,000</b>
Admissions Builder	18,445	-	(494)	-	<b>17,951</b>
Rural Schools Network	32,658	-	(35,608)	2,950	-
Big Questions in the Classroom	63,612	-	(4,500)	-	<b>59,112</b>
	<u>565,686</u>	<u>302,926</u>	<u>(407,008)</u>	<u>258,943</u>	<u><b>720,547</b></u>

**15. RESTRICTED FUNDS (continued)**

The funds are held for the following purposes:

<b>Foundation for Educational Leadership</b>	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.
<b>S48 School Inspections</b>	Funding for school inspections required under Section 48 of the Education Act 2005.
<b>RE, CW &amp; Character Working Group</b>	Funding to improve the quality of religious education in Church of England Schools.
<b>Fresh Voices</b>	To understand the needs of young people in being equipped as agents of mission and change within their educational institution.
<b>Unlocking Gifts</b>	Project to support Diocesan bids to raise school achievement.
<b>Living Well Together Project</b>	Project to provides a welcome first step to more collaborative working, for the common good of society.
<b>CSoF: Church School of the Future</b>	Development project for Church of England Academies and Diocesan Support; implementation of the Church School of the Future Report.
<b>National Governance Resources</b>	Funding for a suite of resources for school governance.
<b>Resourcing School Worship</b>	Funding to develop a web-based resource to enable church schools to use Anglican liturgical resources and a songbank.
<b>Valuing All God’s Children</b>	Guidance for Church of England schools on challenging homophobic, biphobic and transphobic bullying.
<b>Free Schools Project</b>	To support dioceses in the bidding process for the government’s free schools project.
<b>Admissions Builder</b>	Creation of a new admissions platform.
<b>Big Story App</b>	Funding to develop digital resources for the Growing Faith Foundation.
<b>Big Questions in the Classroom</b>	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.
<b>Growing Faith Foundation</b>	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 2022 for the following trusts:

Alton School Teachers House  
 Knighton School  
 Vaughan Trust  
 Walcot School

**Trusts transferred or closed by 31 December 2022 - None**

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

	<b>2022</b>		<b>2021</b>	
	<b>Cost</b>	<b>Market value</b>	<b>Cost</b>	<b>Market value</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
CBF Investment Fund	5,691	123,070	5,691	139,409
RBS Deposit Account	-	-	7,474	7,474
Lloyds Account	7,474	7,474	-	-
	<u>13,165</u>	<u>130,544</u>	<u>13,165</u>	<u>146,883</u>