

**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 2023

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 Queen Elizabeth II	
Co-Presidents	Archbishop of Canterbury Archbishop of York Archbishop of Wales	
Chairman	Rt Revd Paul Butler, Bishop of Durham (until 31 December 2023) Rt Revd Jonathan Frost, Bishop of Portsmouth (from 1 January 2024)	
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	
Website	www.churchofengland.org/education	
Auditor	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 14 June 2024 are shown below.

Chair	Rt Revd Paul Butler, Bishop of Durham (until 31 December 2023) Rt Revd Jonathan Frost, Bishop of Portsmouth (from 1 January 2024)																						
Treasurer	Revd Canon Peter Ballard																						
Other Council members	<table><thead><tr><th>Name</th><th>Appointed / elected by</th></tr></thead><tbody><tr><td>Mrs Marion Plant</td><td>Archbishops of Canterbury and York</td></tr><tr><td>Canon Rachel Howie</td><td>Archbishops of Canterbury and York</td></tr><tr><td>Ms Sonia Thompson</td><td>Archbishops of Canterbury and York</td></tr><tr><td>Canon Dr Addy Lazz-Onyenobi</td><td>General Synod</td></tr><tr><td>Mrs Rosemary Lyon</td><td>General Synod</td></tr><tr><td>Rt Revd Mary Stallard</td><td>Governing Body of Church in Wales</td></tr><tr><td>Canon Simon Lloyd</td><td>Governing Body of Church in Wales</td></tr><tr><td>Revd Jeremy Fletcher (until 5 Jan 2023)</td><td>Co-option</td></tr><tr><td>Professor Jean-Noël Ezingeard</td><td>Co-option</td></tr><tr><td>Mr Andrew Smith (until 24 March 2024)</td><td>Co-option</td></tr></tbody></table>	Name	Appointed / elected by	Mrs Marion Plant	Archbishops of Canterbury and York	Canon Rachel Howie	Archbishops of Canterbury and York	Ms Sonia Thompson	Archbishops of Canterbury and York	Canon Dr Addy Lazz-Onyenobi	General Synod	Mrs Rosemary Lyon	General Synod	Rt Revd Mary Stallard	Governing Body of Church in Wales	Canon Simon Lloyd	Governing Body of Church in Wales	Revd Jeremy Fletcher (until 5 Jan 2023)	Co-option	Professor Jean-Noël Ezingeard	Co-option	Mr Andrew Smith (until 24 March 2024)	Co-option
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Mr Andrew Smith (until 24 March 2024)	Co-option																						
Finance, Investment, Risk & Audit Committee	Revd Canon Peter Ballard (<i>Chair</i>) Ms Michelle Brissett (until 27 February 2023) Ven. Douglas Dettmer Revd Canon Nigel Genders Canon Carolyn Lewis (until 23 October 2023) Canon Simon Lloyd Canon Rachel Howie (from 1 January 2023)																						
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Chief Education Officer	Revd Canon Nigel Genders																						
Website	www.churchofengland.org/education																						

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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, apart from 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.

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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
<p>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</p>	<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
<p>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</p>	<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
<p>IT resilience and cyber security threats may adversely impact business continuity and thereby threaten delivery of objectives</p>	<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 systems to ensure systems work as expected and flag up any potential issues • The NCIs have achieved and maintained Cyber Essentials Plus certification demonstrating their effectiveness in protecting against the vast majority of common cyber attacks. Staff also receive regular mandatory cyber security training to ensure they are aware of how to handle cyber security attacks. • Since 2020, the National Society has become a fully remote team working across England and Wales, lessening the continuity of service risk and regional disruptions.
<p>Failure to develop the Foundation work such that it is not sustainable</p>	<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 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.

Since its publication in 2016, the Church of England Vision for Education, Deeply Christian, Serving the Common Good, has provided the underpinning rationale for the unique role and purpose of the National Society in the wider education system. Through bringing together theology, pedagogy and leadership thinking, it sought to offer the sector a clear understanding of the 'why' of education, not simply the 'what'. Our 2016 Vision for Education has been worked out in a number of key practical ways at a national level including:

- the underpinning of the SIAMS Section 48 inspection framework and the national integration of our inspection processes for all schools
- the development of the Church of England Foundation for Educational Leadership, and its wide range of programmes, networks, research, resources and events
- the voice of key policy development work with local, regional and national stakeholders (including work on small schools, Further Education, Higher Education, Religious Education, Collective Worship, Belonging & Inclusion, Racial Justice and Environment)
- the creation of the Growing Faith Foundation seeking to build strategic partnerships between church, school and household

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- the prioritisation of young people at heart of the Church of England's mission through the integration of the Archbishops' Young Leaders Award and National Younger Leadership Groups.

The Church of England and Church in Wales have been providing free education to the children of our nation for generations and especially since the formation of The National Society in 1811. This visionary early nineteenth century movement of educational leadership was centred on social justice, access for all, and a deep investment in the flourishing of children, adults and communities through the transformational power of education, free at the point of access. Our schools now educate over one million children, around 20% of the country's education provision, and we will continue to play this central role in the sector for generations to come.

2023 activities

Following the withdrawal of the 2022 Schools Bill, the government nevertheless continued to articulate a desire to shape the school system for the future. As different ideas for that system are debated and discussed in the lead up to a general election, the National Society re-affirmed its vision for the next season of the education sector's journey, which with its mixed economy of school types and partnerships risks being inherently fragmented. We published, in June 2023, *Our Hope for a Flourishing School System* which is centred on a renewed commitment to the four core principles of that vision. This is a vision for education, not just for Church schools, and so we continue to embrace vibrant partnerships with all major education institutions and sector bodies and are grateful for continued strategic conversations and co-construction of the landscape with others.

Developing Leaders

Our Hope for a Flourishing School System has led to the revitalisation of our work with Multi-Academy Trust (MAT) CEOs and senior leaders, as a vital relationship for the ongoing growth of leadership development offer. The newly named Flourishing Trusts Network quickly gathered momentum and, by the end of the year, grew to approximately 80 trusts representing 800 schools and over one quarter of a million pupils. This network, alongside the partnership with Diocesan Boards of Education and the work of diocesan education teams, plays a significant role on our ability to shape policy and develop leaders.

Throughout 2023 the National Society has been ensuring our partnerships and engagement strategy secures the participants needed for National Professional Qualifications (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

In 2023 we consolidated our offer as a lead provider of NPQs recruiting over 3000 participants to our programmes and successfully bidding for and securing the opportunity to be further accredited as a provider for NPQMaths and NPQSEND (the mandatory qualification that those coordinating special educational needs provision in schools will need). The latter has been developed as a vibrant partnership with the Cathedrals Group of universities and will enable us to develop that partnership in other areas over coming years.

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. But given the ongoing uncertainty about future provision and scale of provision of NPQs in the coming years, not least given the prospect of an election and a new spending review, new appointments have been made as fixed-term contracts to ensure the Society can manage risk and ensure capacity and flexibility to further its agile approach to the development of our team.

This year has also seen a consolidation and then growth of our work on younger leadership through the Archbishops' Young Leaders Award (AYLA), with an increased focus on the partnerships required, especially with MATs to secure the quantity of sales required to enable the programme to become sustainable. The quality of our resources and offer in this younger leadership space speak for themselves, and schools and students continue to report how beneficial the programme is.

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.

The withdrawal of the Schools Bill in 2022 meant 2023 was a year to ensure the things relating to the church's provision in education which the schools bill was intended to secure could be achieved through other means. This has been completed very successfully. We have agreed new consolidated model articles of association for MATs which, for the first time, assume that church majority governance is the accepted norm for all church school MATs. In addition, the MoU between the Secretary of State for education and the National Society has ensured that the diocesan strategy for academisation is central to the thinking and the Department for Education's regional directors must work in partnership with dioceses in relating to the development of church schools. This of course puts greater onus on dioceses to develop a clear strategy for how the emerging school system can be shaped to ensure the ongoing flourishing of all their schools. The land clauses that we had agreed should be part of the Schools Bill were too important to lose and so we identified a route through which they could be included in other legislation. These have now been included in the Levelling Up Act, thus securing the church's freehold interest in its academies, should they move site. Through all of this the National Society has continued to develop a reputation of being trusted partners with the DfE in the development of school policy.

The place and future of good Religious Education and Collective Worship in England and Wales continued to be a priority for policy work and the National Society worked with the wider RE community and has endorsed the exemplar content within the National Content Standard, offered as a benchmark and not as a syllabus or an approach to RE. The core standard is consistent with our own Statement of Entitlement for RE and contains an emphasis on fair and accurate representation of the religious and non-religious worldviews that are studied.

Our work on equity, diversity and inclusion continues to strengthen. The Archbishops' Council and Racial Justice Commission have funded a range of educational activities in this area, especially focusing on the promotion of Christianity as a global world faith, with new modules being developed to ensure that Understanding Christianity is taught in a way that recognises Christianity's breadth and impact across different cultures and traditions. In 2023 we continued to provide our Leaders Like Us programme which seeks to equip UKME/GMH school leaders for the future. The first cohort of over 40 such leaders continued throughout 2023 and a second cohort of 44 leaders has been recruited for 2024.

The commitment to achieving Net Zero Carbon across the church's estate has been embraced by the National Society in relation to Church schools. The National Society is seeking to inspire and to encourage Church schools to sign up to a vision of Net Zero Carbon schools for the benefit of the whole school community, to conserve the environment and to enable the planet to flourish for future generations. We are encouraging schools to take ownership of the zero carbon target by making a declaration from the governing body or academy board. To assist with making a declaration we are working with the 'Let's Go Zero' campaign by Ashden Climate Solutions, this campaign aims to help all schools to get to zero carbon by 2030.

Schools and Diocesan Boards of Education that hold capital funding, are required to maximise the use of resources such as the Department for Education's Good Estate Management guide and toolkits. This will help to establish a clear 'Estates Vision and Strategy' to work toward achieving year on year reductions in emissions. There are also organisational assessment tools to assess the school's current approach and consumption of resources which will help to motivate action planning focused on decarbonising the estate.

To support schools identify energy efficient measures we have created a Practical Path to Net Zero with actions and quick wins for all school estates. Schools are also encouraged to install and utilise data from smart meters. Schools should also consider using the free online energy analysis tool and energy education programme from Energy Sparks. This programme is specifically designed to help schools reduce their electricity and gas usage through the analysis of smart meter data. Energy Sparks helps pupils and the wider school community to reduce their school's carbon emissions and make a real contribution to addressing the 'climate emergency'. Participating schools are supported with online training, energy audits and education workshops.

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The National Society continues to develop its aspirations to engage in Further Education (FE) and 2023 saw the development of a strategic proposal to forge a relationship between MATs and FE/HE providers for the delivery of apprenticeships for the many non-teaching staff that schools depend on for their successful operation. This partnership will continue to build our connections with FE 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.

Statutory Inspection of Anglican and Methodist Schools (SIAMS)

The national delivery of SIAMS has continued to prove a valuable resource for the National Society and dioceses alike, as we continue to promote and inspect the important connection between school vision, curriculum, worship, and spiritual development for the flourishing of children and adults.

There are about 135 inspectors, and the team have trained just over 140 in this year's cohort, so by next year they expect to have a minimum of 250 inspectors and therefore are on track to catch-up on inspections missed through the complexity of pausing and restarting inspections as a result of the Covid-19 pandemic. As well as recruiting and training further inspectors, we are now using the new SIAMS framework which brings renewed focus on the theological underpinning of Christian vision for a school. This 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. Early signs are that the framework is proving to be very effective as an approach to inspection.

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's Growing Faith Foundation, is making a massive impact through the development of programmes, networks and research.

The Growing Faith Foundation strategic leaders programme provides an opportunity for leaders and aspiring leaders from a range of settings to learn and grow together. With a sharp focus on children and young people, participants are invited not only to explore their leadership competencies and capacities, but to explore how their leadership impacts their own communities and contexts.

Growing Faith Learning Hubs are centres of innovation, where schools/churches are resourced to further embed creative practices that build the strategic partnership between school, church and home. Hubs are creative spaces where people are encouraged to try imaginative approaches as we seek to double the number of children and young active disciples in the Church of England by 2030. The Learning Hubs are funded with an annual grant. The Foundation has funded 18 Hubs across the country, some supported by external funders. The Hubs launched throughout 2023.

The networks are diverse and 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.

Research is a fundamental part of the Growing Faith Foundation's work and during 2023 the Foundation has been supporting 14 projects with researchers from across the country to discover more about what is happening in the intersections between church, home and school.

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 homes.

Developing Younger Leaders and hearing the voice of children and young people is a particular priority for the Growing Faith Foundation and the National Society. There are Growing Faith Foundation networks focused on this and we continue to provide national younger leadership groups, comprising around 250 young people in Primary and Secondary schools across the country.

Partnership with the Church in Wales

This year has continued to see 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

With a general election almost certainly taking place in 2024, the National Society will continue to prioritise its threefold aim of developing leaders, shaping policy and growing faith, mindful of any changes to the educational landscape that are likely to happen. We will continue to build strong links with all political parties to ensure our voice, as a major partner in the provision of education, is heard.

The future of leadership development is an area of particular concern and focus for us and we will build proactively on the great start we have made in providing NPQs in a way that broadens our offer to promote leadership development and early career development that equips teachers and leaders to promote our vision for a flourishing schools system.

Growing Faith continues to provide a major opportunity for the church to become younger and more diverse, and 2024 will see the launch of 40 pilots of our FLOURISH network of worshipping communities in schools. Funded through a grant from the Archbishops' Council, this project will seek to catalyse a movement of ministry with children and young people through greater connection between church and school.

As the National Society has grown, we have been giving attention to the way all of our work is communicated and how the management of our finances and other core service operations are facilitated. This needs to be done in a way that enables the Society to be effective stewards of its resources and future plans. As a result of this work, the Council will be creating a clearer brand identity, logo family and website for all of our work throughout 2024. It has also decided that it will move its Finance services in-house to the National Society through purchase of appropriate accounting software and the creation of a small Finance Team within the Operations Team. This work will be carried out in 2024 for implementation from 2025. In addition, the Council has determined to undertake a tender process to find a more cost-effective IT service provider from Autumn 2024 onwards. This is highly likely to result in a move of IT provision to a new provider outside of the Church of England Central Services team.

Financial Review

Summary of Results

Total consolidated income for the year was £5,778,197, being an increase of £2,392,006 on the previous year (2022: £3,386,191). Total consolidated expenditure for the year was £5,838,983, an increase of £1,853,502 on the previous year (2022: £3,985,481). Net expenditure for the year was £60,786 before total investment gains of £31,745 (2022: Net expenditure of £599,290 before total investment losses of £1,727,777). The Society's trading subsidiary, Church of England Educational Services Limited (CEES), made a profit of £583,836 (2022: a loss £298,080), with a turnover of £3,878,421 (2022: £1,922,423) and total expenditure of £3,294,585 (2022: £2,220,503).

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

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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

2023 was a more resilient year for global and UK markets compared with 2022, with falling inflation rates and more political stability than had been experienced in the previous year. Total stocks and shares investment income decreased by £1,967 to £444,144 in 2023, representing an income yield of 3.9% in 2023 (2022: 3.7%). Total gain on the stocks and shares investments were £210,387 (2022: loss of £1,621,839).

During the year the Society has reassessed the value of its investment properties and has booked a revaluation loss of £111,143 in respect of Fairwinds, and a revaluation loss in respect of £67,500 in respect of Great Peter Street, resulting in a total revaluation loss of £178,643.

The effectiveness of fund-raising activities

The Society carried out no general fund-raising activities during 2023 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 2023, the Society held total reserves of £13,650,962 of which £856,977 was held in restricted funds. Unrestricted reserves totalled £12,792,963 of which £1,022 was designated for specific purposes, this being work on SIAMS. Free reserves were therefore £12,793,985.

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 has not been profit making in previous years), as free reserves excluding unrestricted investment balances. This equates to between £1,546,747 and £2,693,494. The current balance is out with 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, maintaining synchronisation between the Church Schools network with government education policy and the wider Church, IT and cyber resilience, and development of Foundation work by the Society and its subsidiary.

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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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 NCI's 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 14 June 2024 and signed on its behalf by:


Bishop Jonathan Portsmouth (Jul 5, 2024 12:20 GMT+1)

Rt Revd Jonathan Frost
Chairman

Date: 14th of June 2024


Peter Ballard (Jul 4, 2024 15:21 GMT+1)

Revd Canon Peter Ballard
Honorary Treasurer

Date: 14th of June 2024

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 2023 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 2023 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
- the financial statements are not in agreement with the accounting records and returns; or

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

- 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.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some

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

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.

Cuswe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 16 July 2024

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 2023

Consolidated		Unrestricted Funds	Restricted Funds	2023 Total	Unrestricted Funds	Restricted Funds	2022 Total
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies		2,980	726,300	729,280	13,579	271,000	284,579
Charitable activities	3	1,550	660,525	662,075	10,625	434,775	445,400
Other trading activities		3,878,421	-	3,878,421	1,922,197	-	1,922,197
Investments	2	493,390	8,307	501,697	499,353	1,467	500,820
Other income	4	2,566	4,158	6,724	229,819	3,376	233,195
Total income		4,378,907	1,399,290	5,778,197	2,675,573	710,618	3,386,191
Expenditure on:							
Raising funds		42,126	-	42,126	45,247	-	45,247
Charitable activities	5	1,254,654	1,251,996	2,506,650	1,708,687	880,343	2,589,030
Other trading expenditure		3,290,207	-	3,290,207	1,351,204	-	1,351,204
Total expenditure		4,586,987	1,251,996	5,838,983	3,105,138	880,343	3,985,481
Net expenditure before gains/ (losses) on investments		(208,080)	147,294	(60,786)	(429,565)	(169,725)	(599,290)
Gains/(losses) on investments	10	31,745	-	31,745	(1,727,777)	-	(1,727,777)
Net expenditure		(176,335)	147,294	(29,041)	(2,157,342)	(169,725)	(2,327,067)
Transfers between funds	15	-	-	-	(158,861)	158,861	-
Net movement in funds		(176,335)	147,294	(29,041)	(2,316,203)	(10,864)	(2,327,067)
Total funds at 1 January		12,970,320	709,683	13,680,003	15,286,523	720,547	16,007,070
Total funds at 31 December:		12,793,985	856,977	13,650,962	12,970,320	709,683	13,680,003

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 2023

		Group		Charity	
		2023	2022	2023	2022
	Notes	Total	Total	Total	Total
		£	£	£	£
Fixed assets					
Investment property	10	1,763,108	1,941,750	1,763,108	1,941,750
Investments	10	11,349,720	11,180,456	11,349,720	11,180,556
		13,112,828	13,122,206	13,112,828	13,122,306
Current assets					
Debtors	11	1,045,509	707,577	633,899	597,290
Cash & cash equivalents		988,452	726,277	233,100	691,046
		2,033,961	1,433,854	866,999	1,288,336
Liabilities					
Creditors: amounts falling due within one year	12	(1,495,827)	(876,057)	(501,247)	(319,087)
Net current assets		538,134	557,797	365,752	969,249
Total net assets		13,650,962	13,680,003	13,478,580	14,091,555
The funds of the charity:					
Restricted funds		856,977	709,683	856,977	709,683
Unrestricted funds:					
. Designated funds		1,022	1,022	1,022	1,022
. General funds		12,792,963	12,969,298	12,620,581	13,380,850
Total funds	13	13,650,962	13,680,003	13,478,580	14,091,555

The notes 1 to 17 form part of these Financial Statements

Approved and authorised for issue by the Council on 14 June 2024 and signed on its behalf by:

Bishop Jonathan Portsmouth

Bishop Jonathan Portsmouth (Jul 5, 2024 12:20 GMT+1)

Rt Revd Jonathan Frost

Chairman

Date: 14th of June 2024

PJ Ballard

Peter Ballard (Jul 4, 2024 15:21 GMT+1)

Revd Canon Peter Ballard

Honorary Treasurer

Date: 14th of June 2024

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Net income / (expenditure) for the year (as per the statement of financial activities)		(29,041)	(2,327,067)
Investment income	2	(501,697)	(500,820)
(Gains) / losses on investments	10	(210,387)	1,621,839
Increase in creditors	12	619,770	77,676
Increase in debtors	11	(337,932)	(303,855)
Net cash flow used in operating activities		(459,287)	(1,432,227)
Cash flows from investing activities			
Investment income received	2	501,697	500,820
Purchase of investments	10	(441,032)	(773,721)
Sales of investments	10	488,356	668,943
Revaluation gain on investment property	10	178,642	105,938
Net cash flow provided by investing activities		727,663	501,980
Change in cash and cash equivalents in the year		268,376	(930,247)
Cash and cash equivalents at 1 January 2023		731,641	1,661,888
Cash and cash equivalents at 31 December 2023		<u>1,000,017</u>	<u>731,641</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		988,452	726,277
Cash held by investment managers	10	11,565	5,364
		<u>1,000,017</u>	<u>731,641</u>

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, maintaining synchronisation between the Church Schools network with government education policy and the wider Church, IT and cyber resilience, and development of Foundation work by the Society and its subsidiary.

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 £	2023 £	2022 £
Interest receivable	4,246	8,307	12,553	9,709
Dividends receivable	444,144	-	444,144	446,111
Rents receivable	45,000	-	45,000	45,000
Total	<u>493,390</u>	<u>8,307</u>	<u>501,697</u>	<u>500,820</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Section 48 inspections	1,550	406,375	407,925	228,950
Diocesan contribution	-	254,150	254,150	216,450
Total	<u>1,550</u>	<u>660,525</u>	<u>662,075</u>	<u>445,400</u>

4. OTHER INCOME

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Royalties received	2,176	4,158	6,334	233,082
	390	-	390	113
Total	<u>2,566</u>	<u>4,158</u>	<u>6,724</u>	<u>233,195</u>

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Direct costs £	Support costs £	2023 £	2022 £
Shaping Policy	1,317,961	147,324	1,465,285	1,245,249
Developing Leaders	238,299	300,797	539,096	1,124,506
Growing Faith Foundation	467,123	35,146	502,267	219,275
Total	<u>2,023,383</u>	<u>483,267</u>	<u>2,506,650</u>	<u>2,589,030</u>

6. ANALYSIS OF SUPPORT COSTS

	2023	2022
	£	£
Staff costs	209,037	83,930
Shared service costs	94,069	178,510
Archiving costs	31,642	46,266
Office rent	21,451	27,879
Audit fees	27,900	16,850
Committee expenses	19,968	7,914
Legal fees	38,254	123,717
Trustees' indemnity insurance	-	1,064
Other	40,946	54,382
Total	<u>483,267</u>	<u>540,512</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 £1,349 (2022: £2,009) which had been met or reimbursed to individual council members in respect of travelling and incidental expenses. Trustee indemnity insurance of £1,083 (2022: £1,064) was paid by the Church of England Educational Services Limited on behalf of 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 2023 is as below:

	2023	2022
	£	£
Gross salaries	1,768,462	1,121,834
National insurance	192,974	129,290
Pension costs	216,420	135,828
Total	<u>2,177,856</u>	<u>1,386,952</u>

	2023	2022
Average headcount	45	30

Included within these costs is £nil (2022: £nil) termination costs in relation to zero (2022: zero) 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 £394,351 (2022: £327,622) in relation to its share of their employee benefits. There were 4 employees (2022: 2 employees) who were paid between £60,001 and £70,000, and 2 employees (2022: 1 employee) who were paid between £70,001 and £80,000 in relation to work carried out for the National Society.

8. CHURCH OF ENGLAND EDUCATIONAL SERVICES LIMITED

	2023	2022
	£	£
Turnover	3,878,421	1,922,423
Cost of sales and administration expenses	(3,294,585)	<u>(2,220,503)</u>
Profit before taxation	583,836	(298,080)
Tax on profit	-	-
Charitable donation	-	-
	2023	2022
	£	£
Current assets	1,168,538	614,544
Creditors	(996,154)	(1,025,996)
Net assets	172,384	(411,452)
Capital and reserves		
Called up share capital	100	100
Profit and loss account	172,284	(411,552)
Total shareholder's funds	172,384	(411,452)

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 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	2023	Property	Investments	2022
	£	£	£	£	£	£
Market value at 1 January	1,941,750	11,175,092	13,116,842	2,047,688	12,692,153	14,739,841
Disposals	-	(488,356)	(488,356)	-	(668,943)	(668,943)
Acquisitions	-	441,032	441,032	-	773,721	773,721
(Loss)/gain on revaluation	<u>(178,642)</u>	<u>210,387</u>	31,745	<u>(105,938)</u>	<u>(1,621,839)</u>	(1,727,777)
Market value at 31 December	1,763,108	11,338,155	13,101,263	1,941,750	11,175,092	13,116,842
Cash held by investment manager	-	11,565	11,565	-	5,364	5,364
Total investment balances	<u>1,763,108</u>	<u>11,349,720</u>	<u>13,112,828</u>	<u>1,941,750</u>	<u>11,180,456</u>	<u>13,122,206</u>
Historical cost at 31 December	30,327	8,333,451	8,363,778	30,327	8,371,010	8,401,337

10. INVESTMENTS (continued)

All investment assets were held in the United Kingdom. The trustees consider that there are two material investment holdings at 31 December 2023:

	2023	2022
	£	£
CCLA CBF Investment Fund	1,554,842	1,096,058
CCLA CBF Property Fund	836,494	891,215

	Unlisted investments	Property	Investments	2023
Charity	£	£	£	£
Market value at 1 January 2023	100	1,941,750	11,175,092	13,116,842
Disposals	-	-	(488,356)	(488,356)
Acquisitions	-	-	441,032	441,032
(Loss)/gain on revaluation	-	(178,642)	210,387	31,745
Market value at 31 December 2023	100	1,763,108	11,338,155	13,101,363
Cash held by investment manager	-	-	11,565	11,565
Total investment balances	100	1,763,108	11,349,720	13,112,928
Historical cost at 31 December	100	30,327	8,333,450	8,363,877

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

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		Charity	
	2023	2022	2023	2022
<i>Amounts due within one year:</i>	£	£	£	£
Prepayments & accrued income	279,242	140,352	52,814	24,755
Trade debtors	766,267	567,225	579,510	103,509
Amounts due from subsidiary	-	-	1,575	469,026
	<u>1,045,509</u>	<u>707,577</u>	<u>633,899</u>	<u>597,290</u>

12. CREDITORS

	Group		Charity	
	2023	2022	2023	2022
<i>Amounts due within one year:</i>	£	£	£	£
Accrued expenditure	800,448	387,964	105,997	102,170
Other taxation and social security	220,522	141,478	-	489
Deferred income	304,625	157,500	304,625	157,500
Trade creditors	149,776	173,054	70,172	42,867
Other creditors	20,456	16,061	20,453	16,061
	<u>1,495,827</u>	<u>876,057</u>	<u>501,247</u>	<u>319,087</u>

Reconciliation of deferred income

	2023
	£
Deferred at 1 January 2023	157,500
Released during the year	(157,500)
Deferred during the year	304,625
Deferred at 31 December 2023	<u>304,625</u>

£304,625 was deferred during the year in respect of SIAMS inspections planned for 2024.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2023 are represented by:

	Unrestricted	Restricted	2023	Unrestricted	Restricted	2022
	funds	funds		funds	funds	
Group	£	£	£	£	£	£
Fixed assets	13,112,828	-	13,112,828	12,795,668	326,538	13,122,206
Current assets	1,176,984	856,977	2,033,961	1,050,709	383,145	1,433,854
Current liabilities	(1,495,827)	-	(1,495,827)	(876,057)	-	(876,057)
Total net assets	<u>12,793,985</u>	<u>856,977</u>	<u>13,650,962</u>	<u>12,970,320</u>	<u>709,683</u>	<u>13,680,003</u>
Charity	£	£	£	£	£	£
Fixed assets	13,112,828	-	13,112,828	12,795,768	326,538	13,122,306
Current assets	10,022	856,977	866,999	905,191	383,145	1,288,336
Current liabilities	(501,247)	-	(501,247)	(319,087)	-	(319,087)
Total net assets	<u>12,621,603</u>	<u>856,977</u>	<u>13,478,580</u>	<u>13,381,872</u>	<u>709,683</u>	<u>14,091,555</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Reconciliation of movements in unrealised gains on investment assets:

Group	Unrestricted funds		Unrestricted funds	
	2023	2022	2023	2022
	£	£	£	£
Unrealised gains at 1 January	4,720,869	4,720,869	6,504,162	6,504,162
Realised gains/(losses) in respect of disposals	26,861	26,861	(55,516)	(55,516)
	4,747,730	4,747,730	6,448,646	6,448,646
Net gain/(loss) arising on revaluations	31,745	31,745	(1,727,777)	(1,727,777)
Unrealised gains at 31 December	4,779,475	4,779,475	4,720,869	4,720,869

Charity	Unrestricted funds		Unrestricted funds	
	2023	2022	2023	2022
	£	£	£	£
Unrealised gains at 1 January	4,720,869	4,720,869	6,504,162	6,504,162
Realised gains/(losses) in respect of disposals	26,861	26,861	(55,516)	(55,516)
	4,747,730	4,747,730	6,448,646	6,448,646
Net gain/(loss) arising on revaluations	31,745	31,745	(1,727,777)	(1,727,777)
Unrealised gains at 31 December	4,779,475	4,779,475	4,720,869	4,720,869

14. UNRESTRICTED FUNDS

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

	Balance as at 1 January 2023		Income	Expenditure	Gains, losses and transfers	Balance as at 31 December 2023
	£	£				
General Fund	12,969,298	4,378,907	(4,586,987)	31,745	12,792,963	
Designated funds:						
– SIAMS	1,022	-	-	-	1,022	
Total	12,970,320	4,378,907	(4,586,987)	31,745	12,793,985	

	Balance as at 1 January 2022		Income	Expenditure	Gains, losses and transfers	Balance as at 31 December 2022
	£	£				
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	-	
Total	15,286,523	2,675,573	(3,105,138)	(1,886,638)	12,970,320	

14. UNRESTRICTED FUNDS (continued)

The designated funds are held for the following purposes:

SIAMS	To develop future Statutory Inspection of Anglican & Methodist Schools (SIAMS) training courses.
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.
SIAMS Development Fund	To fund systems and set up for national coordination of SIAMS inspections.
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 2023	Income	Expenditure	Transfers	Balance as at 31 December 2023
	£	£	£	£	£
Foundation	26,059	-	-	-	26,059
S48 School Inspections	189,457	668,832	(766,609)	-	91,680
RE, CW & Character Working Group	96,777	15,000	(7,945)	-	103,832
Fresh Voices	17,385	-	-	-	17,385
Unlocking Gifts	17,800	-	-	-	17,800
Living Well Together	4,404	-	-	-	4,404
CSoF: Church School of the Future	6,536	-	(211)	-	6,325
Resourcing School Worship	4,465	-	(1,300)	-	3,165
Big Story App	88,264	-	-	-	88,264
Growing Faith Foundation	184,648	533,788	(475,931)	-	242,505
Free Schools Project	17,951	-	-	-	17,951
Big Questions in the Classroom	55,937	181,670	-	-	237,607
	<u>709,683</u>	<u>1,399,290</u>	<u>(1,251,996)</u>	<u>-</u>	<u>856,977</u>

A transfer was made from the general fund to cover expenditure relating to the work of the Foundation in 2022.

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

15. 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 2023 for the following trusts:

Alton School Teachers House
 Knighton School
 Vaughan Trust
 Walcot School

Trusts transferred or closed by 31 December 2023 - None

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

	2023		2022	
	Cost	Market value	Cost	Market value
	£	£	£	£
CBF Investment Fund	5,691	134,800	5,691	123,070
RBS Deposit Account	-	-	-	-
Lloyds Account	7,474	7,474	7,474	7,474
	<u>13,165</u>	<u>142,274</u>	<u>13,165</u>	<u>130,544</u>