THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

One hundred and thirty fifth annual report and financial statements

Year ended 31 December 2022
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THE CORPORATION OF THE CHURCH HOUSE
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27 Great Smith Street, London, SW1P 3AZ
The Council (Trustees), Officers, Senior Staff and Advisors

Reference and administrative information

The Council (Trustees)
Elected members
Stephen Barney, (appointed 21 July 2022), Chair of the Council
Canon Dr. Christina Baxter CBE, (until 21 July 2022) Chair of the Council
Hywel Rees-Jones, Treasurer and Deputy Chair of the Council

Nominated members
Keith Cawdron
Dr Justine Allain Chapman
David Kemp

Co-opted members
James Bryer (appointed 24 February 2022)
Andrew Penny
Josile Munro (appointed 21 July 2022)

Officers and senior staff
Treasurer
Hywel Rees-Jones

Secretary/Chief Executive Officer
Stephanie Maurel

Head of Finance and Deputy Chief Executive Officer
Adrian Smith (to 11 April 2023)

Head of Facilities
Hugh Alcock-Green

Committees
Audit Committee
Stephen East, Chair
John Hughesdon (until 24 April 2022)
Andrew Penny

Investment Committee
Hywel Rees-Jones, Chair
T Clark (appointed 24 February 2022)
David Kemp
Andrew Penny
Reference and administrative information (continued)

**Professional advisors**
Independent auditor
Buzzacott LLP
130 Wood Street, London, EC2V 6DL

**Principal bankers**
Coutts & Company
440 Strand, London, WC2R 0QS

Nationwide Building Society
Kings Park Road, Northampton, NN3 6NW

**Solicitors**
BDB Pitman LLP
One Bartholomew Close, London, EC1A 7BL

**Investment Managers**
Cazenove Capital Management Limited
1 London Wall Place, London, EC2Y 5AU

**Church House Conference Centre Limited**
Non-Executive Directors
Peter Thackwray OBE, Chair
Mary Burley
Dr Michaela Jordan
Hywel Rees-Jones

Executive Directors
Stephanie Maurel
Adrian Smith (to 11 April 2023)
Chair’s report to the members of The Corporation of the Church House

Introduction
2022 has been an important year for The Corporation. The conference business has not only recovered from the impact of the Covid pandemic, but also delivered a record year. The major refurbishment project of the offices, which account for 55% of Church House’s floor area, commenced in July of 2022 and is due to be completed in the spring of 2024. As the accounts show, financially the company performed ahead of expectations, largely due to conference revenues, whilst the balance sheet was affected by the capital expenditure in the year of £3.3 million on the refurbishment project. Nevertheless we were able to contribute to the funding of the Church of England in the order of £2 million.

In respect of the conference business it was a privilege to be the venue chosen to host 500 heads of state to lunch after the late Queen’s funeral, as well as holding other significant national and international events which reinforce the importance of our facilities as space which is “safe” and which enables important conversations to happen, whether as the venue for General Synod or secular conferences, charity events and tribunals.

The Refurbishment
In considering whether to proceed with the office refurbishment the Trustees accepted the premise of the Allison report that “action and investment was required to sustain Church House and that there was not a do-nothing option since this would lead to accelerated obsolescence of the building and reputational risk to the Church.” We were also mindful that the largest tenant, the National Church Institutions (The Church Commissioners, The Pensions Board and The Archbishops Council), required the offices to be refurbished as a condition of lease renewal in 2023 and also that their occupancy would reduce significantly at the same time.

The options evaluated were:
1. house the Church Institutions and lease the vacant space to other tenants,
2. lease to third parties entirely and fund accommodation elsewhere for NCIs
3. sell the building refurbished

The financial return from retaining the building refurbished for income produces a better return than investing the likely sale proceeds elsewhere and indeed will more than meet the normal threshold for commercial property investment.

Within the latest, and now detailed, cost estimates are a premium for carbon neutrality (£750k) and the new South entrance (£1m). Whilst the total cost is a very significant sum at around £20m, it is proportionate to the likely capital value of the building if it were ever to be sold (which is over £120m) as prime real estate in central London. The current trustees are fortunate to be able to protect the future of Church House in this way without taking on significant borrowings at a time when interest rates are relatively high and the general economic environment is uncertain. This is due to the prudence of previous custodians of this important and iconic building.

No project of this nature is without risk. The Trustees have identified areas of material risk
THE CORPORATION OF THE CHURCH HOUSE
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and mitigating actions to minimise them. They include inflationary cost increases, a stock market correction reducing reserves, supply shortages and project delays due to conference and noise constraints.

As the project progresses, we continue to monitor these and any other issues as they arise and take further mitigating actions in conjunction with our advisors as needed.

Due to our reserves position it is possible that the project will be affordable without the need for external finance. However since year end the Trustees have decided to take out a contingency cashflow facility of up to £5m in case of need.

In passing it is worth noting that when the building was built in the 1930s, during a severe recession it was constructed to a remarkably high standard. It was planned to be paid for by public subscription, but this failed and borrowings were taken on, which were subsequently repaid from operating income. We should perhaps take reassurance from the history of this building’s construction and the much greater risks taken then than we face today.

It is encouraging that at the time of writing our first significant new tenant, the Methodist Church headquarters staff, has taken up residence and there is strong interest from other commercial organisations. Our letting agents are confident that the letting rates on which we have based our assumptions are achievable.

We are also pleased to be able to provide enhanced retail facilities for Hymns Ancient and Modern, our tenants who operate the bookshop, in what will be the new South entrance, adjacent to a new coffee shop and corporate entrance.

As part of this significant modernisation and change to the way Church House operates and is perceived we have rebranded The Corporation to reflect better the values of the organisation to chime with the notion that it is a “building of light for the people of the light” and provide a generous welcome for those of all faiths and none. A working group is also considering how the artwork in the building should speak into this.

Carbon Neutrality
In line with the Church of England’s target of carbon neutrality by 2030, the net effect of this investment will be better than carbon neutral. The use of durable cork flooring and sprayed cork wall finishes are two innovative features of our project which reduce our carbon footprint. This is in addition to the more standard ways of contributing to the security of the environment.

Conclusion
I am very conscious of the disruption, despite our best efforts, the main building works have caused to the running of Church House. We are most grateful to the forbearance of tenants and staff and will continue to consult with them to minimise this.

I would like to thank all of The Corporation’s staff for their efforts during 2022. In addition to the usual challenges involved in managing the building and running the conference centre they have dealt with a third successive year in which Covid has disrupted normal business operations and embarked upon a major refurbishment project.

We welcomed one new trustee during the new year Josile Munro who brings experience of
Finally, I should like to pay tribute to Canon Dr Christina Baxter who retired as Chair of the Trustees at the AGM in July 2022 following nine years’ service given to The Corporation as a Trustee and then Chair. Under her stewardship The Corporation flourished in many ways, not least in the strengthening of the balance sheet, which is now enabling the major refurbishment of the offices for commercial letting, as well as the development of the conferencing business, in particular. I am also grateful to her for her wise advice during my induction as her successor.

Stephen Barney

Chair

18 May 2023
THE CORPORATION OF THE CHURCH HOUSE
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Report of the Council of The Corporation of the Church House

The Council presents its annual report and audited consolidated financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 29 of the attached financial statements and comply with the charity’s Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Objects and activities
The primary object of The Corporation, as laid down in the Royal Charter, is to own and maintain a building - Church House - for the use of the National Church Institutions of the Church of England (NCIs). Following amendment of the Royal Charter in February 2018, The Corporation is now also permitted to award grants for the benefit of the NCIs.

The Corporation may manage such business as it thinks fit and expedient to undertake for the promotion of the objects of The Corporation.

The Corporation aims to provide office and meeting space for the NCIs at a cost below the market rent for the area; the annual rent charged in the year represents a substantial saving when compared to the costs of equivalent commercial property. The rent reflects an appropriate annual share of the governance costs and provides funds to be used towards the anticipated costs of future refurbishment and improvement of the building.

The Corporation seeks to generate income from the operation of its wholly owned commercial subsidiary, Church House Conference Centre Limited, which markets the spare capacity when the large meeting rooms in the building (whose listed status precludes radical alteration), are not required for use by the the General Synod. The Conference Centre clients include commercial companies, charities, church organisations, government bodies, trade associations and research organisations. Any taxable profit created by the Conference Centre is usually covenanted directly to The Corporation.

Building on the decision reached by the Council in 2017 to provide financial support to the National Church Institutions through the award of grants, and following the necessary amendment to the Royal Charter to permit such activity, the Council, with support from the senior management team and external advisors, introduced a grant-making policy in 2018. Complementing the four grants totalling a combined £7,508,000 awarded between 2018 and 2021, the Council considered an application from the National Church Institutions for a grant to support racial justice and digital development and approved the award of a grant for £750,000 for payment in 2023.

The Corporation’s operational objectives during the year under review have been to maintain the security of the building and to ensure Church House continued to offer a safe and available workspace for the benefit of the National Church Institutions fulfilling all Government guidance relating to the COVID-19 pandemic. Additionally, the major refurbishment work for the building have begun.

In reviewing its aims and objectives and in planning its future activities we confirm The Corporation has complied with the Charity Commission’s general guidance on public benefit: ‘Charities and Public Benefit’.
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Report of the Council of The Corporation of the
Church House (continued)

Review of achievements and performance for 2022

Operational performance
The National Church Institutions remain the principal tenants of the building. All office space at
Church House remained open throughout the year, although actual usage was lower as a result of
the lockdown in early 2022 and the on-going trend for hybrid working. The early lockdown also
resulted in fewer events at and visitors to the conference centre although numbers picked up
encouragingly towards the end of the year.

All facilities and services were maintained at appropriate levels and operated well throughout the
year.

Grant-making policy
The Corporation will from time to time accept grant applications from the National Church
Institutions dependent upon the financial performance of The Corporation.

Financial review
The consolidated statement of financial activities for the year is set out on page 20. A summary of
the results and of the work of The Corporation is set out below.

The charity’s principal sources of income are rent, investment income and covenanted profit from
its trading subsidiary, Church House Conference Centre Limited. The group’s income during the
year exceeded expenditure by £1,203,998 (2021: expenditure exceeded income by £965,047) before
losses/gains on investments and other recognised gains. A grant of £750,000 has been recognised
in the year (2021: grant of £1,752,000 for safeguarding) although actual payments will be made
throughout 2023. After taking into account the net income for 2022, together with recognised
investment losses and actuarial gains, the group’s total funds increased by £248,314 to £24,708,047
(2021: increased by £1,040,715 to £24,459,733).

Church House Conference Centre Limited
The Conference Centre is the wholly owned subsidiary of The Corporation and carries out trading
activities for the benefit of The Corporation, paying rent and service charge which in 2022 amounted
to £842,808 (2021: £909,314).

The impact of the COVID pandemic continued to affect trading conditions during the first part of 2022
although conditions improved significantly later in the year. Turnover for the year of £4,621,592
(2021: £2,276,848) represented a 12% increase on the level generated in 2019 - the last full-year of
uninterrupted trading prior to the onset of the pandemic - and together with cost savings enabled the
Company to outperform its 2022 budget and report a higher than budgeted profit. The Conference
Centre has been able to limit the amount of financial support requested from The Corporation under
the terms of the £2m loan facility made available in 2020 to £1m.

For 2022, the profit on ordinary activities for the year was £851,590 (2021: loss £209,152) before
taxation of £Nil (2021: £nil) and transfers under deed of covenant for the current year of £Nil (2021:
£Nil).

Although the Company reported a profit for the year ended 31 December 2022, no amount is payable
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Report of the Council of The Corporation of the
Church House (continued)

Review of achievements and performance for 2022 (continued)

to The Corporation under the terms of the Deed of Covenant as there is a carried forward deficit on
the Profit & Loss account. A summary of the trading results of the Conference Centre is shown in
note 17 to the financial statements.

Investment policy
The Council has adopted a long-term and medium-risk policy to achieve a balance of income and
capital growth from its investments. As permitted by The Corporation’s Royal Charter, the Council
has given its investment managers discretion to manage the portfolio within an agreed risk profile.

The purpose of The Corporation’s investments is to provide the necessary stability and financial
backing to enable periodic improvement and refurbishment of Church House. To achieve this, it is
the intention to manage the portfolio in such a way that the value of the investments more than
matches inflation over the longer term. Given the investment horizon, it has been decided in
consultation with the investment managers that the portfolio should consist substantially of equities
both in the UK and overseas.

In 2021 The Council, in conjunction with the Investment Committee, agreed that the investment
portfolio should be used to provide the funds required for the refurbishment project at Church House
planned for 2022-2023. Consequently, during 2022, the investment managers were instructed to
seize opportunities to generate £15m cash in relation to the total anticipated £20m cashflow
requirement for the project.

It is the Council’s policy to take note of the guidance of the Church of England’s Ethical Investment
Advisory Group.

Investment performance
Performance of the investments is measured against a bespoke benchmark. The benchmark is based
on the agreed asset allocation: 55% to relate to the FTSE All Share index, 20% to the FTSE World
index (excluding UK), 20% to the FTSE Government All Stocks index and 5% to SONIA (Sterling
Overnight Index Average).

The performance of the portfolio was ahead of the benchmark for the year. The Corporation’s
investments delivered an overall return of -4.8% (2021: plus 10.9%) compared with the bespoke
benchmark of -6.0% (2021: plus 13.3%). UK equities returned -0.2% (2021: plus 18.8%) against the
FTSE All Share index return of 0.3% (2021: plus 18.3%), overseas equities returning -6.3% (2021:
plus 11.3%) against the FTSE World index (excluding UK) return of -7.7% (2021: plus 22.2%). The
overall bond allocation returned -15.5% (2021: plus 0.1%) which compares to the FTSE All Stock
Gilts index return of -23.8% (2021: minus 5.2%).

2022 was overshadowed by Russia’s invasion of Ukraine which sent most equity prices and bond
yields down while energy stocks rose. The reintroduction of Covid restrictions in China and fears
about inflation and rising interest rates contributed to the volatility.
Investment performance (continued)

The Corporation withdrew £15,000,000 (2021: £1,500,000) from the portfolio to fund the refurbishment of Church House. No capital (2021: none) was transferred to Cazenove Capital for investment during the year.

The market value of listed investments at 31 December, excluding cash held with the investment managers, was £6,899,680 (2021: £21,041,126). The two year end positions are not comparable because of the amount of cash realised during the year.

The market value of the portfolio at 31 December includes cumulative unrealised gains over historic cost of £1,293,400 (2021: £5,216,879). The surplus for the year includes a revaluation loss of £1,048,671 which can be analysed into unrealised losses of £681,506 and realised losses of £367,165 (2021: gain £80,971). The realised loss does not imply that investments were sold at a loss to historic cost but instead to the market value on 31 December 2021.

The Council, upon the recommendation of the Investment Committee, previously agreed that the investment managers should hold a higher balance of cash to ensure funds would be available to meet the different profiles of planned capital and grant expenditure under discussion. As outlined above The Corporation will require additional working capital in 2023 to fund the planned refurbishment project at Church House, in addition to other capital and grant expenditure. Consequently, the value of cash held by the investment managers at 31 December 2022 was £9,746,446 (2021: £932,903). This is disclosed as part of the “cash at bank and in hand” figure in the financial statements.

Reserves

The reserves of The Corporation, predominantly represented by its investment portfolio and cash holding, are held to meet the primary charitable objective of The Corporation which is to own and maintain the building called Church House for the use of the National Church Institutions of the Church of England. Of the group’s total funds at 31 December 2022 amounting to £24,708,047 (2021: £24,459,733), the free reserves amounted to £2,976,032 (2021: £1,464,906). Free reserves consist of the general reserve, the non-charitable trading fund and, in 2021, the pension reserve.

When undertaking the annual review of free reserves, the Council determined that the present level is sufficient to meet operational needs and to provide contingency funds. The impact of COVID-19 on The Corporation and its subsidiary has lessened during the year and the view in respect to the adequacy of free reserves has not changed.

Expenditure charged to the refurbishment reserve reduced the balance to £6,701,439 (2021: £10,000,000). The fund will continue to be used to meet the anticipated costs of the two-phase project to refurbish Church House with works which began in June 2022 and due to be completed in spring 2024.
THE CORPORATION OF THE CHURCH HOUSE
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Report of the Council of The Corporation of the
Church House (continued)

Review of achievements and performance for 2022 (continued)

Reserves (continued)
The grant of £750,000 (2021: £1,752,000) awarded to the Archbishops’ Council to support racial
justice and digital development has been funded from the designated grant-making fund.

The balance of the grant-making fund at 31 December 2022 was £9,375,617 (2021: £10,125,617).

Future plans
The Corporation’s primary objective remains to plan to run an efficient office building for the
National Church Institutions of the Church of England and examine its running costs with a view to
saving expenditure wherever possible.

Following the National Church Institutions decision to reduce their footprint at Church House, the
Council commissioned an independent external review of the building. This identified the options
available to improve office accommodation for the continued use of the NCIs and for the
refurbishment of space that will be vacated with a view to generating increased revenue from future
commercial letting. The Council has given careful consideration to the options presented and are
confident this will secure the long-term viability of Church House and will, ultimately, provide
additional funds that can be used to support the mission of the Church of England through increased
grant-making. The Council had approved the £16m estimated costs for the project to refurbish
Church House, but understands at the time of writing that costs may be c£20m.

The process of identifying the changes that will have to be implemented at Church House to achieve
the aim of operating a carbon zero building no later than 2030 commenced in 2020. This work has
continued and, where practicable, will be incorporated into the planned refurbishment works. For
changes needed that will not be included as part of the project, the impact of the works will be
assessed, before a costed plan and timeline is produced.

The Council expects to receive further applications for grants from the National Church Institutions.
The suitability of all grant applications for funding will be considered on the basis of the benefits
they will deliver across the Church and for the wider public. Once suitability has been established,
the appropriate level of any funding will be determined with reference to The Corporation’s own
financial position and general economic conditions.
THE CORPORATION OF THE CHURCH HOUSE 
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Report of the Council of The Corporation of the 
Church House (continued)

Structure, governance, management and external professional advisors
The Corporation of the Church House ("The Corporation") was established in 1888 by Royal Charter 
(charity registration number 213252) and its principal office is 27 Great Smith Street, London, 
SW1P 3AZ.

During the year The Corporation was governed by a Royal Charter dated 22 November 2002, which 
was last amended on 8 February 2018. The most recent amendment permits grants to be awarded 
for the benefit of the National Church Institutions of the Church of England.

It has a wholly owned, commercial trading subsidiary, Church House Conference Centre Limited 
(company registration number 02869220 (England and Wales)). The company's trading name is 
Church House Westminster and its principal activity is that of running a conference centre.

The Council of The Corporation comprises of up to nine members. Each member is appointed for 
an initial term of five years, renewable for a further term of the same length. Following resolutions 
carried at the 2008 Annual General Meeting and the approval of the Privy Council and the Charity 
Commission, two members are elected from amongst the members of The Corporation, who are 
members of the General Synod and other individuals, by the members of The Corporation; three 
members are nominated by the Appointments Committee of the Church of England and four 
members are co-opted by the Council. Currently there is one vacancy for a co-opted member. Every 
member of the Council must be and continue to be a member of the Church of England. The names 
of the members of the Council at 31 December 2022 (and up to the date of this report) are given on 
page 2.

New Council members are inducted into the workings of The Corporation and its subsidiary, 
including Council policy and procedures, at an initial meeting with the Secretary and also receive a 
copy of the Charity Commission guidance on the roles and responsibilities of trustees.

Members of the Council, as The Corporation's trustees, are legally responsible for the overall 
management and control of The Corporation and its subsidiary and the Council meets at least four 
times a year. The Council appoints the senior staff of The Corporation who, in turn, are responsible 
for its day to day running. The Council is responsible for the approval of the annual budget and cash 
flow forecasts and is responsible for the preparation of the financial statements of The Corporation 
and its subsidiary. It also monitors the financial and operational activities of The Corporation.

The Council has an Audit Committee with an independent Chair, one independent member and one 
member co-opted from the Council. The Committee meets at least twice a year and, inter alia, 
monitors The Corporation's external audit arrangements and risk management systems. The spring 
meeting is principally concerned with the annual audit including a confidential meeting with the 
auditor, while the autumn meeting concentrates on governance, personnel matters and the scrutiny 
of risk management. The Committee held two meetings during the year under review.

Details of The Corporation's professional advisors are given on page 3. The Corporation maintains 
a relationship and regular dialogue with its advisors in addition to obtaining expert advice and 
assurance when required.
THE CORPORATION OF THE CHURCH HOUSE
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Report of the Council of The Corporation of the
Church House (continued)

Structure, governance, management and external professional advisors (continued)

Risk management
The Council has identified and reviewed the major risks to which The Corporation and its subsidiary are exposed, in particular those related to their operations and finance with particular reference to the refurbishment of the building and the lessening impact of COVID-19, and is satisfied that systems are in place to mitigate The Corporation’s exposure to those major risks.

The primary risks faced by The Corporation and Church House Conference Centre Limited are those that would significantly disrupt the availability and operation of the building. The Corporation and Conference Centre have comprehensive policies of insurance, reviewed annually, that provide financial compensation for many such occurrences although, along with many other businesses, we identified that our insurance cover did not extend to provide cover for the economic impact of the COVID-19 pandemic. Above all, The Corporation has a business continuity plan that did, and will, enable it to maintain and recover its operations in the event of significant disruption.

Any significant reduction in the value of The Corporation’s investment portfolio could place at risk The Corporation’s ability to fund improvements to Church House. This risk is managed through the setting of an appropriate Investment Policy (see the Investment Policy section of the Report of the Council on page 9 for more information) and continuous review of investment performance by the Investment Committee (see pages 9 and 10 for more information). In January 2022, to mitigate against potential market volatility, the Investment Managers were instructed to commence the sale of holdings to generate the capital to be used to fund the refurbishment project that subsequently commenced in June 2022.

Notwithstanding the potential impact arising from the availability and operation of Church House being significantly disrupted as outlined above, the most significant financial risk to which Church House Conference Centre Limited is exposed is the impact of general economic and wider conditions affecting their existing and potential client base. The Corporation was happy to note that the level of business in 2022 was greater than in 2019, the last full year of trading pre-Covid.

To mitigate the financial impact of COVID-19 The Corporation agreed to provide a further £500,000 loan facility from 1 January 2022 to provide the Company with further financial support, should it be needed, for the period to 31 December 2031. At the time that these financial statements were signed the facility remained undrawn.

The Board of Directors of Church House Conference Centre Limited continue to monitor the current financial position, trading conditions and future prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company’s trading and financial position is provided for consideration at each Council meeting (see note 16).
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Report of the Council of The Corporation of the
Church House (continued)

Structure, governance, management and external professional advisors (continued)

Key management personnel
In addition to The Corporation’s unremunerated Council members, the Senior Management Team
are defined as key personnel.

The Council has delegated responsibility and authority for managing the day-to-day activities of The
Corporation and, through the Board of directors of Church House Conference Centre Limited, to the
Senior Management Team which consists of the Secretary, Head of Finance and Head of Facilities.

In 2022 the Council agreed a uniform percentage cost-of-living pay award for all staff.

No additional bonus or other incentive schemes apply to the Senior Management Team.

No member of the Council received any remuneration from either The Corporation or Church House
Conference Centre Limited.

Fundraising
The Corporation does not actively engage in fundraising activities and does not employ a
professional fundraiser or commercial participator. No complaints in respect to fundraising activity
were received by The Corporation during the year.

Statement of the Council’s responsibilities
The Council is responsible for preparing the Report of the Council and the financial statements in
accordance with applicable law and United Kingdom Accounting Standards (United Kingdom
Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial
statements for each financial year which give a true and fair view of the state of the affairs of the
group and the charity and of the income and expenditure of the charity and the group for that year.

In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of Accounting and Reporting by Charities: Statement of
  Recommended Practice applicable to charities preparing their financial statements in accordance
  with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland
  (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to
  any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume
  that the group and the charity will continue in business.
THE CORPORATION OF THE CHURCH HOUSE
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Report of the Council of The Corporation of the
Church House (continued)

Statement of the Council’s responsibilities (continued)
The Council is responsible for keeping accounting records that are sufficient to show and explain
the group and charity’s transactions and disclose with reasonable accuracy at any time the financial
position of the charity and the group and enable them to ensure that the financial statements comply
with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the
provision of the Royal Charter. It is also responsible for safeguarding the assets of the group and the
charity and hence for taking reasonable steps for the prevention and detection of fraud and other
irregularities.

The Council is responsible for the maintenance and integrity of the group and the charity financial
information included on the group and the charity’s websites. Legislation in the United Kingdom
governing the preparation and dissemination of financial statements may differ from legislation in
other jurisdictions.

Approved and signed on behalf of the Council

Stephen Barney
Chair

18 May 2023

Hywel Rees-Jones
Treasurer and Deputy Chair
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Independent auditor’s report to the Council of The
Corporation of the Church House

Opinion
We have audited the accounts of The Corporation of the Church House and its subsidiary for the
year ended 31 December 2022 which comprise the group and parent charity statement of financial
activities, the group and charity balance sheets, the consolidated statement of cash flows, the
principal accounting policies and the notes to the accounts. The financial reporting framework that
has been applied in their preparation is applicable law and United Kingdom Accounting Standards,
and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

• give a true and fair view of the state of the group’s and of the parent charity’s affairs as at 31
  December 2022 and of their 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 accounts section of our report. We are independent of the group
in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the Council members’ use of the going concern
basis of accounting in the preparation of the accounts 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 group and
parent charity’s ability to continue as a going concern for a period of at least twelve months from
when the accounts are authorised for issue.

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

Other information
The Council members are responsible for the other information. The other information comprises
the information included in the annual report and financial statements, other than the accounts and
our auditor’s report thereon. Our opinion on the accounts does not cover the other information and
we do not express any form of assurance conclusion thereon.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Independent auditor’s report to the Council of The
Corporation of the Church House (continued)

Other information (continued)
In connection with our audit of the accounts, our responsibility is to read the other information and, in
doing so, consider whether the other information is materially inconsistent with the accounts 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 there is a material misstatement in the accounts or a material misstatement of the other
information. 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 Act
2011 requires us to report to you if, in our opinion:

- the information given in the Chair’s report and Report of the Council is inconsistent in any
  material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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 the Council
As explained more fully in the Council’s responsibilities statement, the members of the Council are
responsible for the preparation of the accounts and for being satisfied that they give a true and fair
view, and for such internal control as the Council members determine is necessary to enable the
preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Council members are responsible for assessing the group’s 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 Council either intend to
liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to
do so.

Auditor’s responsibilities for the audit of the accounts
Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design
procedures in line with our responsibilities, outlined above, to detect material misstatements in
respect of irregularities, including fraud. The extent to which our procedures are capable of detecting
irregularities, including fraud, is detailed below.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Independent auditor’s report to the Council of The
Corporation of the Church House (continued)

Auditor’s responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of
irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate
competence, capabilities and skills to identify or recognise non-compliance with applicable laws and
regulations;
- We identified the laws and regulations applicable to the charity through discussions with key
management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect
on the accounts or the activities of the charity. These included but were not limited to the Charities
Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable
to charities preparing their accounts in accordance with the Financial Reporting Standard applicable
to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) and those
relating to health and safety legislation; and
- We assessed the extent of compliance with the laws and regulations identified above through
making enquiries of key management and review of minutes of Council members’ meetings.
- We assessed the susceptibility of the charity’s financial statements to material misstatement,
including obtaining an understanding of how fraud might occur, by:
  - Making enquiries of key management as to where they considered there was susceptibility to fraud,
their knowledge of actual, suspected and alleged fraud; and
  - Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws
and regulations.

To address the risk of fraud through management bias and override of controls, we:
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were
indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed
procedures which included, but were not limited to:
- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Council members; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws
and regulations are from financial transactions, the less likely it is that we would become aware of
non-compliance. Auditing standards also limit the audit procedures required to identify non-
compliance with laws and regulations to enquiry of key management and the inspection of regulatory
and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error
as they may involve deliberate concealment or collusion.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Independent auditor’s report to the Council of The Corporation of the Church House (continued)

Auditor’s responsibilities for the audit of the accounts (continued)

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report
This report is made solely to the Council, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the members of the Council 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 Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 13 June 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
### Consolidated statement of financial activities for the year ended 31 December 2022

<table>
<thead>
<tr>
<th>Note</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Income from:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments and bank deposits</td>
<td>3</td>
<td>312,855</td>
</tr>
<tr>
<td>Other trading activities – Conference Centre</td>
<td>17(b)</td>
<td>4,620,357</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Rental income and service charge</td>
<td></td>
<td>2,415,925</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Coronavirus Job Retention Scheme Grant</td>
<td></td>
<td>85,907</td>
</tr>
<tr>
<td>. Management fees receivable</td>
<td></td>
<td>8,000</td>
</tr>
<tr>
<td>. Profit on disposal of tangible fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>7,357,137</td>
</tr>
<tr>
<td><strong>Expenditure on:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Investment management fees</td>
<td></td>
<td>61,222</td>
</tr>
<tr>
<td>. Conference Centre costs</td>
<td>17(b)</td>
<td>2,889,221</td>
</tr>
<tr>
<td>. Taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Grants awarded to the National Church Institutions of the Church of England</td>
<td>4</td>
<td>750,000</td>
</tr>
<tr>
<td>. Corporation operating costs</td>
<td>5</td>
<td>2,450,696</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Interest payable</td>
<td>8(a)</td>
<td>2,000</td>
</tr>
<tr>
<td>. Loss on disposal of tangible fixed assets</td>
<td></td>
<td>1,167</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td></td>
<td>6,153,139</td>
</tr>
<tr>
<td><strong>Net income/(expenditure) before (losses)/gains on investments</strong></td>
<td></td>
<td>1,203,998</td>
</tr>
<tr>
<td>Net (losses)/gains on investments</td>
<td>10</td>
<td>(1,048,671)</td>
</tr>
<tr>
<td><strong>Net (expenditure)/income</strong></td>
<td></td>
<td>155,327</td>
</tr>
<tr>
<td><strong>Other recognised gains</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gains on defined benefit pension scheme</td>
<td>8(a)</td>
<td>92,987</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>6</td>
<td>248,314</td>
</tr>
</tbody>
</table>

**Reconciliation of funds:**

| Fund balances brought forward at 1 January | 13     | 24,459,733| 23,419,018 |
| Fund balances carried forward at 31 December | 13     | 24,708,047| 24,459,733 |

All of the group's activities derived from continuing operations during the above two financial periods. The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure of the charity was unrestricted during the above two financial periods. Fund balances at 31 December 2021 and 2022 include restricted funds of £9,254. The notes on pages 23 to 45 form part of the financial statements.
## THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

### Balance sheets as at 31 December 2022

<table>
<thead>
<tr>
<th></th>
<th>Group 2022</th>
<th>Group 2021</th>
<th>The Corporation 2022</th>
<th>The Corporation 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>6,154,657</td>
<td>3,048,903</td>
<td>5,958,943</td>
<td>2,859,956</td>
</tr>
<tr>
<td>Investments</td>
<td>7,059,251</td>
<td>21,974,029</td>
<td>7,559,251</td>
<td>22,474,029</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>13,213,908</td>
<td>25,022,932</td>
<td>13,518,194</td>
<td>25,333,985</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors: due after more than one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 11(a)</td>
<td></td>
<td></td>
<td>1,012,486</td>
<td>1,006,431</td>
</tr>
<tr>
<td>Debtors: due within one year</td>
<td>1,999,217</td>
<td>806,049</td>
<td>1,708,081</td>
<td>580,268</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>12,754,363</td>
<td>2,260,479</td>
<td>10,837,878</td>
<td>5,121,182</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>14,753,580</td>
<td>3,066,528</td>
<td>13,558,445</td>
<td>3,098,881</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 12</td>
<td></td>
<td></td>
<td>(3,259,441)</td>
<td>(3,396,727)</td>
</tr>
<tr>
<td><strong>Net current assets/(liabilities)</strong></td>
<td></td>
<td></td>
<td>(1,980,860)</td>
<td>(2,438,039)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td></td>
<td>11,494,139</td>
<td>660,842</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(330,199)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11,577,585</td>
<td></td>
</tr>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>24,708,047</td>
<td>25,095,779</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24,692,733</td>
<td>25,994,827</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td></td>
<td></td>
<td>(233,000)</td>
<td>(233,000)</td>
</tr>
<tr>
<td>Note 8(a)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>24,708,047</td>
<td>25,761,827</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24,459,733</td>
<td>25,095,779</td>
</tr>
<tr>
<td><strong>The funds of the charity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted income funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,254</td>
<td>9,254</td>
<td>9,254</td>
<td>9,254</td>
</tr>
<tr>
<td>Unrestricted income funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Designated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Tangible fixed assets fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Refurbishment reserve</td>
<td>6,924,395</td>
<td>10,000,000</td>
<td>6,924,395</td>
<td>10,000,000</td>
</tr>
<tr>
<td>. Grant-making reserve</td>
<td>9,375,617</td>
<td>10,125,617</td>
<td>9,375,617</td>
<td>10,125,617</td>
</tr>
<tr>
<td>. Undesignated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. General reserve</td>
<td>3,426,536</td>
<td>3,000,000</td>
<td>3,363,764</td>
<td>3,000,000</td>
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<tr>
<td>. Non-charitable trading fund</td>
<td>(450,504)</td>
<td>(1,302,094)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Pension reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(233,000)</td>
<td>(233,000)</td>
</tr>
<tr>
<td><strong>Total charity funds</strong></td>
<td></td>
<td></td>
<td>24,708,047</td>
<td>25,761,827</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24,459,733</td>
<td>25,095,779</td>
</tr>
</tbody>
</table>

The financial statements which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows and the related notes on pages 23 to 45 were approved by the Council on 18 May 2023 and signed on its behalf by

**STEPHEN BARNEY**
Member of Council and Chair of the Council

**HYWEL REES-JONES**
Member of Council, Treasurer and Deputy Chair

**STEPHANIE MAUREL**
Secretary
Consolidated statement of cash flows for the year ended 31 December 2022

Cash flows from operating activities
Net cash (used in) provided by operating activities A (118,955) (687,498)

Cash flows from investing activities
Income from listed investments 192,817 428,615
Interest received 120,038 731
Purchase of tangible fixed assets (3,566,123) (177,449)
Purchase of fixed asset investments (1,870,372) (3,384,228)
Proceeds from the disposal of fixed asset investments 14,963,147 3,821,773
Net cash provided by investing activities 9,839,507 689,442

Change in cash and cash equivalents 9,720,552 1,944

Cash and cash equivalents at 1 January B 3,193,382 3,191,438

Cash and cash equivalents at 31 December B 12,913,934 3,193,382

Notes to the consolidated statement of cash flows for the year to 31 December 2022

A  Reconciliation of net movement in funds to net cash (used in) provided by operating activities

Net movement in funds (as per consolidated statement of financial activities) 248,314 1,040,715

Adjustments for:
Depreciation of tangible fixed assets 458,317 876,823
Gains/(losses) on investments 1,048,671 (2,002,801)
Loss/(profit) on disposal of tangible fixed assets - 1,167
Fixed asset write-off 2,052 -
Investment income (312,855) (429,346)
Decrease (increase) in debtors (1,193,168) 256,891
(Decrease) in creditors (137,286) (287,973)
(Decrease) in provisions (233,000) (142,974)
Net cash (used in) operating activities (118,955) (687,498)

B  Analysis of cash and cash equivalents

2022 2021
£ £
Cash at bank and in hand 12,754,363 2,260,479
Cash held by investment managers 159,571 932,903
Total cash and cash equivalents 12,913,934 3,193,382
THE CORPORATION OF THE CHURCH HOUSE  
AND ITS SUBSIDIARY

Notes to the financial statements  
for the year ended 31 December 2022

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

These financial statements have been prepared for the year to 31 December 2022 with comparative information given for the year ended 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling (£) and are rounded to the nearest pound.

b) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council members and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the recoverability of outstanding debtors;
- estimating accrued expenditure;
- assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

c) Assessment of going concern
The Council members have assessed whether the use of the going concern assumption is appropriate
in preparing these financial statements. The Council members have made this assessment in respect
of a period of one year from the date of approval of these financial statements.

The Corporation commenced a major refurbishment project in June 2022 to secure the long-term
viability of Church House. This project is expected to be completed in early 2024 and will see a shift
in the tenant portfolio away from National Church Institutions towards commercial tenants. This is
expected to increase future rental income.

The Board of Directors of Church House Conference Centre are cautiously optimistic that the
Company will meet its revenue target for 2023. 2022 saw a rapid increase in the number of bookings
as the country emerged from lockdown. The Board believes that it can benefit from the growing
demand for face to face events.

The Council is of the opinion that the overall finances of The Corporation and its subsidiary are
robust and that the group and the charity will have sufficient resources to meet their liabilities as
they fall due. The most significant areas of judgement that affect items in the financial statements
are detailed above.

d) Consolidated financial statements
The consolidated financial statements include The Corporation and its wholly owned subsidiary
undertaking, Church House Conference Centre Limited (company registration number 02869220).
Intra-group transactions and balances are eliminated fully on consolidation. No separate statement of
financial activities has been presented for The Corporation within these financial statements. The net
expenditure for the year to 31 December 2022 for The Corporation only, including the £750,000 (2021:
£1,752,000) provision for grants payable, £nil of actuarial gains (2021: £2,961 of actuarial gains) in
relation to the provision made for future funding payments in respect of the deficit on the Defined
Benefits pension scheme (see note 8a), but excluding investment gains, was £201,507 (2021: net
expenditure of £752,934).
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

e) Income recognition
Income is recognised in the period in which the group is legally entitled to the income, where the amount can be measured reliably and it is probable that the income will be received.

Income comprises rental income, investment income, income generated by the Conference Centre activities and other income including Coronavirus Job Retention Scheme grants, dilapidation receipts and management fees.

Rental income is recognised when it becomes contractually due under the relevant lease or tenancy agreement.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on cash balances held with banks and investment managers are included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank or the investment manager.

Income generated by the Conference Centre activities comprises income from room hire, equipment hire and commission on catering provision. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Coronavirus Job Retention scheme grants are credited to income when the charity and group are entitled to the funds and when the amount receivable has become quantifiable. Other income including management fees and dilapidation receipts is measured at fair value and accounted for on an accruals basis.

f) Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Cost of raising funds includes investment management fees and the operating costs of Church House Conference Centre Limited.
- Charitable expenditure represents all costs associated with furthering the charitable purposes of The Corporation. This includes the direct and indirect costs of running Church House and grant-making activities. The allocation of costs to charitable activities, including support costs, is based upon the calculation of the service charges recoverable from The Corporation’s tenants.
- Other expenditure includes losses on the disposal of tangible fixed assets.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

f) Expenditure recognition (continued)
Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are treated as liabilities.

g) Tangible fixed assets
The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Tangible fixed assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic life of the assets concerned.

<table>
<thead>
<tr>
<th>The annual rates used for this purpose are:</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold buildings</td>
<td>5.00 – 10.00</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>6.50 – 15.00</td>
</tr>
<tr>
<td>Telephone and office equipment</td>
<td>10.00 – 33.33</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>5.00 – 20.00</td>
</tr>
</tbody>
</table>

Freehold land is not depreciated. Assets under Construction are not depreciated until they are brought into use, at which point they are transferred to the appropriate asset category.

An impairment review is carried out in respect to a particular class of asset if events, or changes in circumstances, indicate that the carrying amount of any tangible fixed asset may not be recoverable.

h) Heritage assets
Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

i) Investments
Listed investments are a form of basic financial instrument and are initially recognised at their
transaction value and subsequently measured at their fair value as at the balance sheet date using the
closing quoted market price.

The group and charity do not trade options, derivatives or other complex financial instruments.

Realised gains (or losses) on listed investment assets are calculated as the difference between
disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to
the first day of the financial year. Unrealised gains and losses are calculated as the difference
between the fair value at the year end and their carrying value at that date. Realised and unrealised
investment gains (or losses) are combined in the statement of financial activities and are credited (or
debited) in the year in which they arise.

The investment in the subsidiary undertaking is stated at cost less any provision for permanent
diminution in value.

j) Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability.
Prepayments are valued at the amount prepaid. They have been discounted to the present value of
the future cash receipt where such discounting is material.

k) Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or
have a maturity of less than three months from the date of acquisition. Cash placed on deposit for
more than one year is disclosed as a fixed asset investment.

l) Creditors and provisions
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a
result of a past event, it is probable that a transfer of economic benefit will be required in settlement,
and the amount of the settlement is known or can be estimated reliably. Creditors and provisions are
recognised at the amount the group or charity anticipates it will pay to settle the debt.

m) Fund structure
The tangible fixed assets funds represent the net book value of the charity’s tangible fixed assets.

Free reserves represent those monies which are freely available for application towards achieving
any charitable purpose that falls within the group and charity’s charitable objects.

The refurbishment reserve was established in 2018 to ensure that the charity holds a level of net
assets that would enable it to undertake future refurbishment and improvement works to support its
primary charitable objective of maintaining Church House for the use of the National Church
Institutions of the Church of England (NCIs). The Council agreed to increase the balance of this
fund to £10m as at 31 December 2021 to provide the necessary funds to meet the anticipated project
costs for the major refurbishment works at Church House that commenced in June 2022. Any cost
in excess of this will be met initially from the general reserve and then by a combination of transfer
from other reserves, future income and, if necessary, borrowing

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Notes to the financial statements
for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

m) Fund structure (continued)
The grant-making reserve represents the value of net assets designated and available for distribution
to the NCIs in the form of grants to support the charitable objectives of the Church of England. The Council expects to receive further grant applications from the NCIs in the short-term. It is anticipated that the level of funds to be transferred to the fund will grow as future commercial letting activity increases and generates additional rental income following completion of the refurbishment project in 2023.

The pension reserve represents the actuarial deficit on the defined pension scheme. This reduced to £nil in 2022.

Non-charitable trading funds comprise of the value of cumulative accumulated losses or retained earnings by Church House Conference Centre Limited.

Restricted funds are funds with their use restricted to a specific purpose as described in note 13.

n) Leased assets
Rentals applicable to operating leases where the benefits and risks of ownership remain substantially with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

The group had no finance leases during the year ended 31 December 2022 or 31 December 2021.

o) Pension scheme arrangements
The Corporation participated in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS), both part of the Church Workers Pension Fund. Both schemes are administered by the Church of England Pensions Board and are defined benefit pension schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date onwards, the DBS was closed to new membership applications and all new employees have been offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to the PBS. From this date all active members have accrued future pension benefits under the PBS. The transfer of pension membership does not impact the value of pension benefits accrued by employees within the DBS prior to 31 December 2019.

Payment of normal contributions in respect of the DBS ceased with the transfer of all active members to the PBS on 1 January 2020 however The Corporation continues to pay deficit recovery contributions in respect of the DBS.
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

o) Pension scheme arrangements
The Corporation is unable to identify its share of the underlying assets and liabilities of the schemes on a reasonable and consistent basis. Therefore, in accordance with FRS102, it has accounted for its normal contributions as if the schemes were defined contribution schemes. Normal contributions are charged to the statement of financial activities when payable. The present value of any expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Further details of pension scheme arrangements are given in note 8

2 Taxation
The Corporation is registered as a charity with the Charity Commission for England and Wales (charity registration number 213252) and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Retained profits of Church House Conference Centre Limited, if any, are subject to corporation tax calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

3 Investment income

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from listed investments</td>
<td>192,817</td>
<td>428,615</td>
</tr>
<tr>
<td>Bank interest receivable</td>
<td>120,038</td>
<td>731</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>312,855</td>
<td>429,346</td>
</tr>
</tbody>
</table>

4 Grants payable

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants awarded in the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Archbishops’ Council</td>
<td>750,000</td>
<td>1,752,000</td>
</tr>
</tbody>
</table>

Grants awarded during 2022 were unpaid as at 31 December 2022 (note 12) and will be paid by twelve equal monthly instalments during 2023.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

5 Corporation operating costs

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs (note 7)</td>
<td>948,504</td>
<td>823,099</td>
</tr>
<tr>
<td>House expenses and cleaning</td>
<td>395,550</td>
<td>394,418</td>
</tr>
<tr>
<td>Rates, insurance and heating</td>
<td>294,543</td>
<td>316,614</td>
</tr>
<tr>
<td>Office and administrative expenses</td>
<td>68,152</td>
<td>33,843</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>272,328</td>
<td>651,499</td>
</tr>
<tr>
<td>Marketing</td>
<td>(150)</td>
<td>(785)</td>
</tr>
<tr>
<td>Professional fees</td>
<td>89,623</td>
<td>53,745</td>
</tr>
<tr>
<td>Depreciation – owned assets</td>
<td>370,799</td>
<td>776,359</td>
</tr>
<tr>
<td>Auditor’s remuneration – The Corporation</td>
<td>11,322</td>
<td>9,050</td>
</tr>
<tr>
<td>Donations and presentations</td>
<td>25</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>2,450,696</td>
<td>3,057,878</td>
</tr>
</tbody>
</table>

No support costs have been allocated to The Corporation’s secondary charitable objective of grant-making. The additional time resources and costs associated with this activity were minimal.

6 Net movement in funds

The net movement in funds is stated after including the following charges:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor’s remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Audit</td>
<td>25,143</td>
<td>22,871</td>
</tr>
<tr>
<td>. Non-audit services – taxation and advisory services</td>
<td>2,600</td>
<td>3,421</td>
</tr>
<tr>
<td>Depreciation</td>
<td>458,317</td>
<td>876,823</td>
</tr>
<tr>
<td>Hire of equipment</td>
<td>9,990</td>
<td>9,990</td>
</tr>
</tbody>
</table>
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Staff costs and remuneration of key management personnel
The average number of persons employed by The Corporation and its subsidiary during the year is analysed below:

<table>
<thead>
<tr>
<th>Group</th>
<th>2022 Number</th>
<th>2021 Number</th>
<th>2022 Number</th>
<th>2021 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance and security</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Administration</td>
<td>21</td>
<td>16</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>31</td>
<td>26</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Staff costs during the year were as follows:

<table>
<thead>
<tr>
<th>Group</th>
<th>2022</th>
<th>2021</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>1,203,664</td>
<td>1,096,313</td>
<td>811,114</td>
<td>703,763</td>
</tr>
<tr>
<td>Social security costs</td>
<td>132,591</td>
<td>122,967</td>
<td>86,656</td>
<td>77,032</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>154,363</td>
<td>145,933</td>
<td>50,734</td>
<td>42,304</td>
</tr>
<tr>
<td></td>
<td>1,490,618</td>
<td>1,365,213</td>
<td>948,504</td>
<td>823,099</td>
</tr>
</tbody>
</table>

Included in wages and salaries above is £17,070 relating to redundancy arrangements for one (2021: None) employee of which £nil related to non-contractual payments.

Employee information for the group includes employees who are on full time secondment to the Conference Centre. The cost of these employees is included within the cost of raising funds.

The number of employees earning £60,000 pa or more (excluding employer’s pension and national insurance contributions but including taxable benefits) was:

<table>
<thead>
<tr>
<th>Group</th>
<th>2022 Number</th>
<th>2021 Number</th>
<th>2022 Number</th>
<th>2021 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 to £69,999</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>£70,000 to £79,999</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>£80,000 to £89,999</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>£90,000 to £99,999</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>£100,000 to £109,999</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£110,000 to £119,999</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Retirement benefits under a defined benefit pension scheme are accruing to 4 (2021: 3) employees earning more than £60,000 per annum. Employer pension contributions totalling £45,723 (2021: £35,790) were paid in respect to these employees.
Notes to the financial statements
for the year ended 31 December 2022 (continued)

7 Staff costs and remuneration of key management personnel (continued)
The key management personnel of the group in charge of directing and controlling, running and
operating the group on a day to day basis comprise the Council and the Senior Management Team
of the charity. The total remuneration (including employer’s national insurance contributions, taxable
benefits and employer’s pension contributions) of the key management personnel for the year was
£349,698 (2021: £304,126).

During the year ended 31 December 2022, expenses of £5,140 (2021: £994) were reimbursed to 5
(2021: 5) members of the Council. The expenses related to the costs of travelling to Council
meetings. No member of the Council received any remuneration in respect of their services as
members of the Council (2021: £Nil).

8 Pensions
The Church Workers Pension Fund (CWPF) has a section known as the Defined Benefit Scheme
(DBS) and a section known as Pension Builder Scheme (PBS) (comprising both the deferred annuity
section known as Pension Builder Classic and a cash balance section known as Pension Builder
2014). During the year, The Corporation participated in both DBS and PBS schemes.

Employees appointed prior to 1 April 2009 were eligible for membership of the DBS. From this date
onwards, the DBS was closed to new membership applications and all new employees have been
offered membership of the PBS.

On 1 January 2020, following consultation with employees throughout 2019, The Corporation
transferred pension membership for all employees appointed prior to 1 April 2009 from the DBS to
the PBS. From this date all active members have accrued future pension benefits under the PBS. The
transfer of membership does not impact the value of pension benefits accrued by employees within
the DBS prior to 31 December 2019. The Corporation will continue to pay any required
contributions to fund future deficits in the DBS scheme and will continue to liaise with actuaries in
respect to scheme valuations.

a) Defined Benefit Scheme

The DBS section of the CWPF provides benefits for lay staff based on final pensionable salaries.
The Scheme is administered by the Church of England Pensions Board (CEPB), which holds the
assets of the schemes separately from those of The Corporation and the other participating
employers.

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing
contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out
of which all the benefits are to be provided. From time to time, a notional premium is transferred
from employers’ sub-pools to the Life Risk Pool and all pensions and death benefits are paid from
the Life Risk Pool.
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Pensions (continued)

a) Defined Benefit Scheme

It is not possible to attribute the scheme’s assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of financial activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

A valuation of the DBS is carried out once every three years, the most recent having been completed as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers’ sub-pools to the Life Risk Pool. The overall deficit in the DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the 2019 valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £13,400 per year. In addition deficit payments of £142,013 per year were agreed for 2.50 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the these financial statements as at 31 December 2022. A liability has been recognised at earlier dates.

No contributions were made to the scheme in the current or prior year other than for the deficit payments referenced above.
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

8 Pensions (continued)

a) Defined Benefit Scheme (continued)

The movement in the provision in relation to the deficit payment plan is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet liability at 1 January</td>
<td>233,000</td>
<td>375,974</td>
</tr>
<tr>
<td>Deficit contribution paid</td>
<td>(142,013)</td>
<td>(142,013)</td>
</tr>
<tr>
<td>Charged (credited) to the statement of financial activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Interest cost</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>. Change to the balance sheet liability</td>
<td>(92,987)</td>
<td>(2,961)</td>
</tr>
<tr>
<td>Balance sheet liability at 31 December</td>
<td>-</td>
<td>233,000</td>
</tr>
</tbody>
</table>

The balance sheet liability represents the present value of the deficit contributions agreed in the 31 December 2019 valuation and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2022</th>
<th>31 December 2021</th>
<th>31 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate %</td>
<td>0.00</td>
<td>1.30</td>
<td>0.40</td>
</tr>
</tbody>
</table>

Other available information relating to the valuation as at 31 December 2019 is given below:

Financial assumptions:
Price inflation:    RPI 3.20% pa, CPI 2.40%
Rates of investment return:
 . prior to retirement 3.70% pa
 . post retirement 1.85% pa reducing to 1.4%

Pension increases:
 . 5% pa cap 3.10% pa
 . 2.5% pa cap 2.10% pa

Future salary increases
CPI plus 0.50% pa

Market value of DBS assets £426.6m
Market value of Life Risk Pool assets £235.3m
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

8  Pensions (continued)

a)  Defined Benefit Scheme (continued)

Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the group benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

b)  Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund (CWPF) is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

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

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme’s assets and liabilities to specific employers and contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs are charged to the statement of financial activities in the year contributions are payable.

A valuation of the Scheme is carried out once every three years. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a deficit of £4.8m. There is no requirement for deficit funding payments at the current time.

Pension Builder 2014 is valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. The most recent scheme valuation was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a surplus of £5.5m.
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Pensions (continued)

b) Pension Builder Scheme (continued)

Regular employer contributions vary between 9% and 15.5% of pensionable salary for each member. The exact contribution rate is determined by the age of a member as at 1 April, the Scheme review date, each year.

Although the Scheme is non-contributory, employees can elect to make Additional Voluntary Contributions (AVCs). For each 1% AVC paid by a member, The Corporation pays an additional employer contribution of 1% up to a maximum of 3%.

During the year to 31 December 2021, The Corporation paid employer contributions of £145,933 (2020: £190,690) and this has been included in the pension costs in these financial statements. No pension contributions were prepaid or outstanding at 31 December 2021.

9 Tangible fixed assets

<table>
<thead>
<tr>
<th>Group</th>
<th>Freehold land and buildings</th>
<th>Furniture and fittings</th>
<th>Telephone and office equipment</th>
<th>Plant and equipment</th>
<th>Assets under construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 January 2022</td>
<td>6,030,092</td>
<td>7,203,992</td>
<td>1,163,445</td>
<td>7,819,268</td>
<td>31,668</td>
<td>22,248,465</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>76,625</td>
<td>161,627</td>
<td>3,327,871</td>
<td>3,566,123</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>(2,052)</td>
<td>-</td>
<td>-</td>
<td>(2,052)</td>
</tr>
<tr>
<td>At 31 December 2022</td>
<td>6,030,092</td>
<td>7,203,992</td>
<td>1,238,018</td>
<td>7,980,895</td>
<td>3,359,539</td>
<td>25,812,536</td>
</tr>
</tbody>
</table>

Depreciation

<table>
<thead>
<tr>
<th>Group</th>
<th>Freehold land and buildings</th>
<th>Furniture and fittings</th>
<th>Telephone and office equipment</th>
<th>Plant and equipment</th>
<th>Assets under construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2022</td>
<td>4,241,218</td>
<td>7,066,145</td>
<td>1,017,649</td>
<td>6,874,550</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>175,330</td>
<td>95,990</td>
<td>69,457</td>
<td>117,540</td>
<td>-</td>
<td>458,317</td>
</tr>
<tr>
<td>At 31 December 2022</td>
<td>4,416,548</td>
<td>7,162,135</td>
<td>1,087,106</td>
<td>6,992,090</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net book values

<table>
<thead>
<tr>
<th>Group</th>
<th>Freehold land and buildings</th>
<th>Furniture and fittings</th>
<th>Telephone and office equipment</th>
<th>Plant and equipment</th>
<th>Assets under construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2022</td>
<td>1,613,544</td>
<td>41,857</td>
<td>150,912</td>
<td>988,805</td>
<td>3,359,539</td>
<td>6,154,657</td>
</tr>
<tr>
<td>At 31 December 2021</td>
<td>1,788,874</td>
<td>137,847</td>
<td>145,796</td>
<td>944,718</td>
<td>31,668</td>
<td>3,048,903</td>
</tr>
</tbody>
</table>
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Tangible fixed assets (continued)

<table>
<thead>
<tr>
<th>The Corporation</th>
<th>Freehold land and buildings</th>
<th>Furniture and fittings</th>
<th>Telephone and office equipment</th>
<th>Plant and equipment</th>
<th>Assets under Construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 January 2022</td>
<td>6,030,089</td>
<td>6,739,337</td>
<td>433,720</td>
<td>7,819,268</td>
<td>31,668</td>
<td>21,054,082</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>9,598</td>
<td>161,627</td>
<td>3,298,561</td>
<td>3,469,786</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2022</td>
<td>6,030,089</td>
<td>6,739,337</td>
<td>443,318</td>
<td>7,980,895</td>
<td>3,330,229</td>
<td>24,523,868</td>
</tr>
</tbody>
</table>

Depreciation

| At 1 January 2022 | 4,241,220                  | 6,655,592              | 422,764                       | 6,874,550           | -                        | 18,194,126 |
| Disposals        | -                           | -                      | -                             | -                   | -                        | -     |
| Charge for the year | 175,330                    | 72,134                 | 5,794                         | 117,540             | -                        | 370,799  |
| At 31 December 2022 | 4,416,551                  | 6,727,726              | 428,558                       | 6,992,090           | -                        | 18,564,925 |

Net book values

| At 31 December 2022 | 1,613,538                  | 11,612                 | 14,758                        | 988,804             | 3,330,229                | 5,958,943 |
| At 31 December 2021 | 1,788,869                  | 83,745                 | 10,955                        | 944,718             | 31,668                   | 2,859,956 |

In the opinion of the Council, Church House is worth substantially more than the book value reported in these financial statements.

The Corporation holds a collection of heritage assets which consist mainly of paintings. These paintings, gifted to The Corporation over many years, all represent various aspects of Church heritage and, therefore, relate to the Objects of the charity.

The Corporation commissioned a professional valuation of these paintings for insurance purposes. The wide range of potential values suggested by the valuation, highlighted the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.
The Corporation of the Church House and Its Subsidiary

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Investments

<table>
<thead>
<tr>
<th>Group</th>
<th>Listed investments £</th>
<th>Cash £</th>
<th>2022 Total £</th>
<th>2021 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost or valuation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>21,041,126</td>
<td>932,903</td>
<td>21,974,029</td>
<td>21,170,261</td>
</tr>
<tr>
<td>Additions</td>
<td>1,870,372</td>
<td>-</td>
<td>1,870,372</td>
<td>3,384,228</td>
</tr>
<tr>
<td>Disposals at opening book value **</td>
<td>(15,330,312)</td>
<td>-</td>
<td>(15,330,312)</td>
<td>(3,740,803)</td>
</tr>
<tr>
<td>Net unrealised (losses)/gains</td>
<td>(681,506)</td>
<td>-</td>
<td>(681,506)</td>
<td>1,921,831</td>
</tr>
<tr>
<td>Net movement in year</td>
<td>-</td>
<td>(773,332)</td>
<td>(773,332)</td>
<td>(761,488)</td>
</tr>
<tr>
<td>At 31 December</td>
<td>6,899,680</td>
<td>159,571</td>
<td>7,059,251</td>
<td>21,974,029</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment in subsidiary undertaking</th>
<th>Listed investments £</th>
<th>Cash £</th>
<th>2022 Total £</th>
<th>2021 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost or valuation</td>
<td>At 1 January</td>
<td>500,000</td>
<td>21,041,126</td>
<td>932,903</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>1,870,372</td>
<td>-</td>
<td>1,870,372</td>
</tr>
<tr>
<td>Disposals at opening book value **</td>
<td>-</td>
<td>(15,330,312)</td>
<td>-</td>
<td>(15,330,312)</td>
</tr>
<tr>
<td>Net unrealised (losses)/gains</td>
<td>-</td>
<td>(681,506)</td>
<td>-</td>
<td>(681,506)</td>
</tr>
<tr>
<td>Net movement in year</td>
<td>-</td>
<td>(773,332)</td>
<td>-</td>
<td>(773,332)</td>
</tr>
<tr>
<td>At 31 December</td>
<td>500,000</td>
<td>6,899,680</td>
<td>159,571</td>
<td>7,559,251</td>
</tr>
</tbody>
</table>

** proceeds £14,963,147; losses £367,165

The interest in the subsidiary undertaking represents the cost to The Corporation of wholly owning the share capital of Church House Conference Centre Limited. The principal activity of that company is the operation of a conference centre at Church House and it covenants its taxable profits to The Corporation. A summary of the trading results and balance sheet of Church House Conference Centre Limited is shown in note 17.

Listed investments held at 31 December 2022 comprised:

<table>
<thead>
<tr>
<th>Group</th>
<th>2022 £</th>
<th>2021 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK bonds</td>
<td>261,838</td>
<td>264,248</td>
</tr>
<tr>
<td>International bonds</td>
<td>617,082</td>
<td>1,443,636</td>
</tr>
<tr>
<td>UK equities</td>
<td>1,852,574</td>
<td>8,515,039</td>
</tr>
<tr>
<td>International equities</td>
<td>2,657,809</td>
<td>8,360,336</td>
</tr>
<tr>
<td>Private equity and alternatives</td>
<td>1,510,377</td>
<td>2,457,867</td>
</tr>
<tr>
<td>Total listed investments</td>
<td>6,899,680</td>
<td>21,041,126</td>
</tr>
<tr>
<td>Cash with investment managers</td>
<td>159,571</td>
<td>932,903</td>
</tr>
<tr>
<td>Total</td>
<td>7,059,251</td>
<td>21,974,029</td>
</tr>
</tbody>
</table>

Historic cost of listed investments (excluding cash) | 5,606,411 | 15,824,247 |
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Investments (continued)

At 31 December 2022, the ten largest holdings were:

<table>
<thead>
<tr>
<th>Investment Fund/Portfolio</th>
<th>Value 2022 (£)</th>
<th>% of Investment Portfolio 2022</th>
<th>Value 2021 (£)</th>
<th>% of Investment Portfolio 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trojan Investment Funds</td>
<td>540,470</td>
<td>7.83</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Findlay Park American Fund</td>
<td>476,617</td>
<td>6.91</td>
<td>958,490</td>
<td>4.56</td>
</tr>
<tr>
<td>Vanguard S&amp;P 500 UCITS ETF</td>
<td>452,196</td>
<td>6.55</td>
<td>610,542</td>
<td>2.90</td>
</tr>
<tr>
<td>CG Portfolio Fund - Capital</td>
<td>407,866</td>
<td>5.91</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MU Lyxor Core US TIPS</td>
<td>309,102</td>
<td>4.48</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Robeco BP Global Premium Equities</td>
<td>275,968</td>
<td>4.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UK Govt 0.125% RPI IL 2026</td>
<td>261,969</td>
<td>3.80</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Neuberger Berman US Large Cap</td>
<td>240,240</td>
<td>3.48</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Schroder Asia Alpha Plus Fund</td>
<td>238,386</td>
<td>3.45</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wellington Global Healthcare</td>
<td>222,790</td>
<td>3.23</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

All listed investments were dealt in on a recognised stock exchange.

11 Debtors

a. Amounts receivable after one year

<table>
<thead>
<tr>
<th></th>
<th>Group 2022</th>
<th>Group 2021</th>
<th>The Corporation 2022</th>
<th>The Corporation 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owed by subsidiary undertaking</td>
<td>-</td>
<td>-</td>
<td>1,012,486</td>
<td>1,006,431</td>
</tr>
</tbody>
</table>

The amount of £1,012,486 (2021: £1,006,431) owed by the subsidiary undertaking, Church House Conference Centre Limited, represents the capital amount advanced under the loan facility (see note 16) at the year-end together with accrued interest receivable. Under the terms of the loan facility, this amount, together with any subsequent advances and additional interest accrued, is payable to the Charity no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

b. Amounts receivable within one year

<table>
<thead>
<tr>
<th></th>
<th>Group 2022</th>
<th>Group 2021</th>
<th>The Corporation 2022</th>
<th>The Corporation 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>769,490</td>
<td>560,314</td>
<td>80,487</td>
<td>79,154</td>
</tr>
<tr>
<td>Owed by subsidiary undertaking</td>
<td>-</td>
<td>-</td>
<td>426,140</td>
<td>291,719</td>
</tr>
<tr>
<td>Rental debtors</td>
<td>651,250</td>
<td>1,240</td>
<td>651,250</td>
<td>1,240</td>
</tr>
<tr>
<td>Other debtors</td>
<td>8,022</td>
<td>3,270</td>
<td>8,112</td>
<td>3,270</td>
</tr>
<tr>
<td>Recoverable VAT</td>
<td>221,478</td>
<td>45,685</td>
<td>221,478</td>
<td>45,685</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>348,887</td>
<td>195,540</td>
<td>320,614</td>
<td>159,200</td>
</tr>
<tr>
<td></td>
<td>1,999,217</td>
<td>806,049</td>
<td>1,708,081</td>
<td>580,268</td>
</tr>
</tbody>
</table>
Notes to the financial statements for the year ended 31 December 2022 (continued)

12 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Group 2022</th>
<th>Group 2021</th>
<th>Corporation 2022</th>
<th>Corporation 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and expense creditors</td>
<td>567,290</td>
<td>520,029</td>
<td>118,284</td>
<td>145,135</td>
</tr>
<tr>
<td>Taxation and social security costs</td>
<td>39,580</td>
<td>49,054</td>
<td>39,580</td>
<td>49,054</td>
</tr>
<tr>
<td>Amounts owed to subsidiary undertaking</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other creditors</td>
<td>142,781</td>
<td>19,749</td>
<td>72,427</td>
<td>19,749</td>
</tr>
<tr>
<td>Deposits held</td>
<td>271,242</td>
<td>312,959</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants payable to the National Church Institutions of the Church of England</td>
<td>750,000</td>
<td>1,752,000</td>
<td>750,000</td>
<td>1,752,000</td>
</tr>
<tr>
<td>Accruals</td>
<td>1,117,117</td>
<td>631,436</td>
<td>629,138</td>
<td>458,901</td>
</tr>
<tr>
<td>VAT payable</td>
<td>-</td>
<td>98,300</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred income (see below)</td>
<td>371,431</td>
<td>13,200</td>
<td>371,431</td>
<td>13,200</td>
</tr>
<tr>
<td></td>
<td>3,259,441</td>
<td>3,396,727</td>
<td>1,980,860</td>
<td>2,438,039</td>
</tr>
</tbody>
</table>

Deferred income:

<table>
<thead>
<tr>
<th></th>
<th>Group 2022</th>
<th>Group 2021</th>
<th>Corporation 2022</th>
<th>Corporation 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January</td>
<td>13,200</td>
<td>696,901</td>
<td>13,200</td>
<td>696,901</td>
</tr>
<tr>
<td>Released in the year</td>
<td>(13,200)</td>
<td>(696,901)</td>
<td>(13,200)</td>
<td>(696,901)</td>
</tr>
<tr>
<td>Deferred in the year</td>
<td>371,431</td>
<td>13,200</td>
<td>371,431</td>
<td>13,200</td>
</tr>
<tr>
<td>At 31 December</td>
<td>371,431</td>
<td>13,200</td>
<td>371,431</td>
<td>13,200</td>
</tr>
</tbody>
</table>

Deferred income represents rental income and service charge received from tenants in advance of the financial year end but relating to the following financial year commencing 1 January 2023.

The reduction in deferred income in 2021 resulted from the remeasurement and reallocation of space at Church House and remodelling of service charges to be paid by tenants. As a consequence, rent and service charge invoices for 2022 quarter one were issued after 1 January 2022.
## THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

### 13 Net funds

<table>
<thead>
<tr>
<th>Group</th>
<th>At 1 January 2022</th>
<th>Net income (expenditure) for the year</th>
<th>Net gains on revaluation of investments</th>
<th>Actuarial gains</th>
<th>Transfers</th>
<th>At 31 December 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted funds</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,254</td>
</tr>
<tr>
<td>. Designated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Tangible fixed assets fund</td>
<td>2,859,956</td>
<td>(370,799)</td>
<td></td>
<td></td>
<td></td>
<td>3,665,500</td>
</tr>
<tr>
<td>. Refurbishment reserve</td>
<td>10,000,000</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>(3,298,561)</td>
</tr>
<tr>
<td>. Grant-making reserve</td>
<td>10,125,617</td>
<td>(750,000)</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>. Undesignated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. General reserve</td>
<td>3,000,000</td>
<td>1,475,207</td>
<td>(1,048,671)</td>
<td></td>
<td></td>
<td>(508,952)</td>
</tr>
<tr>
<td>. Pension reserve</td>
<td>(233,000)</td>
<td>(2000)</td>
<td></td>
<td>92,987</td>
<td>142,013</td>
<td>-</td>
</tr>
<tr>
<td>. Non-charitable trading fund</td>
<td>(1,302,094)</td>
<td>851,590</td>
<td></td>
<td></td>
<td></td>
<td>(450,504)</td>
</tr>
<tr>
<td>Total</td>
<td>24,459,733</td>
<td>1,203,998</td>
<td>(1,048,671)</td>
<td>92,987</td>
<td>-</td>
<td>24,708,047</td>
</tr>
</tbody>
</table>

### The Corporation

<table>
<thead>
<tr>
<th>At 1 January 2022</th>
<th>Net income (expenditure) for the year</th>
<th>Net gains on revaluation of investments</th>
<th>Actuarial gains</th>
<th>Transfers</th>
<th>At 31 December 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted funds</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td></td>
<td>£</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Designated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. Tangible fixed assets fund</td>
<td>2,859,956</td>
<td>(370,799)</td>
<td></td>
<td></td>
<td>3,469,786</td>
</tr>
<tr>
<td>. Refurbishment reserve</td>
<td>10,000,000</td>
<td></td>
<td></td>
<td></td>
<td>(3,298,561)</td>
</tr>
<tr>
<td>. Grant-making reserve</td>
<td>10,125,617</td>
<td>(750,000)</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>. Undesignated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>. General reserve</td>
<td>3,000,000</td>
<td>1,412,435</td>
<td>(1,048,671)</td>
<td></td>
<td>(313,238)</td>
</tr>
<tr>
<td>. Pension reserve</td>
<td>(233,000)</td>
<td>(2,000)</td>
<td></td>
<td>92,987</td>
<td>142,013</td>
</tr>
<tr>
<td>Total</td>
<td>25,761,827</td>
<td>289,636</td>
<td>(1,048,671)</td>
<td>92,987</td>
<td>25,895,779</td>
</tr>
</tbody>
</table>

A proportion of the general reserve is represented by endowment funds which arose from the original appeals for the construction of Church House in 1885. These funds can no longer be separately identified but the Council is of the opinion that they are immaterial.

Restricted funds totalling £9,254 (2021: £9,254) are retained for the specific purpose of maintaining the portrait of Archbishop Davidson including periodic restoration and repair works as required.
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Analysis of net assets between funds

<table>
<thead>
<tr>
<th>Group</th>
<th>Tangible fixed assets fund</th>
<th>Designated funds and restricted funds</th>
<th>General reserve</th>
<th>Non-charitable trading funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances at 31 December 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>6,154,567</td>
<td>-</td>
<td>195,717</td>
<td>6,350,284</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>7,059,251</td>
<td>-</td>
<td>7,059,251</td>
<td></td>
</tr>
<tr>
<td>Net current assets (liabilities)</td>
<td>-</td>
<td>9,017,805</td>
<td>2,926,928</td>
<td>(646,221)</td>
<td>11,298,512</td>
</tr>
<tr>
<td>Total net assets</td>
<td>6,154,567</td>
<td>16,077,056</td>
<td>2,926,928</td>
<td>(450,504)</td>
<td>24,708,047</td>
</tr>
</tbody>
</table>

| The Corporation                   |                            |                                      |                 |                             |             |
| Fund balances at 31 December 2022 |                            |                                      |                 |                             |             |
| Tangible fixed assets             | 5,958,943                  | -                                    | -               | 5,958,943                   |             |
| Investments                       | -                          | 7,059,251                            | 500,000         | 7,559,251                   |             |
| Net current assets                | -                          | 9,017,805                            | 2,559,780       | 11,577,585                  |             |
| Total net assets                  | 5,958,943                  | 16,077,056                           | 3,059,780       | 25,095,779                  |             |

The total unrealised (losses)/gains as at 31 December 2022 constitutes movements on revaluation and are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022 £</th>
<th>2021 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealised gains included above:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On investments</td>
<td>1,293,400</td>
<td>5,216,879</td>
</tr>
<tr>
<td>Reconciliation of movements in unrealised gains</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gains at 1 January</td>
<td>5,216,879</td>
<td>4,096,108</td>
</tr>
<tr>
<td>Less: in respect to disposals in the year</td>
<td>(3,241,973)</td>
<td>(801,060)</td>
</tr>
<tr>
<td>Net gains arising on revaluation</td>
<td>1,974,906</td>
<td>3,295,048</td>
</tr>
<tr>
<td>Total unrealised gains at 31 December</td>
<td>1,293,400</td>
<td>5,216,879</td>
</tr>
</tbody>
</table>
THE CORPORATION OF THE CHURCH HOUSE
AND ITS SUBSIDIARY

Notes to the financial statements
for the year ended 31 December 2022 (continued)

15 Financial commitments

Operating leases
The Corporation and its subsidiary have financial commitments in respect of non-cancellable operating leases. The minimum rentals payable under these leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>£</td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>5,594</td>
<td>7,460</td>
</tr>
<tr>
<td>Between one and two years</td>
<td>-</td>
<td>5,594</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,594</td>
<td>13,054</td>
</tr>
</tbody>
</table>

Other financial commitments
The Group and The Corporation had the following financial commitments at 31 December:

<table>
<thead>
<tr>
<th>Authorised and contracted for:</th>
<th>Group</th>
<th></th>
<th>The Corporation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Capital expenditure: Buildings</td>
<td>-</td>
<td>125,648</td>
<td>-</td>
<td>125,648</td>
</tr>
<tr>
<td>Capital expenditure: Plant and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue expenditure: Cyclical maintenance</td>
<td>-</td>
<td>9,337</td>
<td>-</td>
<td>9,337</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorised but not contracted for:</th>
<th>Group</th>
<th></th>
<th>The Corporation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td>2021</td>
<td>2022</td>
<td>2021</td>
</tr>
<tr>
<td>Capital expenditure: Buildings</td>
<td>16,669,771</td>
<td>9,614,000</td>
<td>16,669,771</td>
<td>9,614,000</td>
</tr>
<tr>
<td>Capital expenditure: Plant and equipment</td>
<td>184,500</td>
<td>53,400</td>
<td>-</td>
<td>53,400</td>
</tr>
<tr>
<td>Capital expenditure: Office equipment</td>
<td>4,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital expenditure: Fixtures and fittings</td>
<td>129,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue expenditure: Cyclical maintenance</td>
<td>160,000</td>
<td>94,500</td>
<td>160,000</td>
<td>94,500</td>
</tr>
</tbody>
</table>

Included in 2022 authorised but not contracted for financial commitments above is the balance of the estimated project cost for the planned two-phase major refurbishment of Church House.

The total £20,000,000 project costs will be self-funded by The Corporation using capital raised from the partial disposal of listed investments held.
THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 Related party transactions

All related party transactions between The Corporation and its trading subsidiary, Church House Conference Centre Limited, are disclosed in note 17b.

Loan facility provided to Church House Conference Centre Limited
The Council agreed to make a £500,000 loan facility available to the Company which became available upon expiry of the former loan facility on 31 December 2021. This will provide the Company with further financial support, should it be needed, during the period to 31 December 2031. The Company had not drawn down any funds from this facility at the date these financial statements were approved by the Council. The Company forecasts that there will be no requirement for the facility to be used in the foreseeable future.

The £1,000,000 drawn against the former facility in 2020 and 2021 remains outstanding although the Board of Directors of the Company anticipates that repayments will commence in 2023.

Any amounts advanced to the Company from the facilities accrue interest at 0.5% above the bank base rate until repaid. The total amount advanced, together with any interest accrued, is repayable no later than 31 December 2031, or upon the Company giving notice of its intention to exercise the break clause contained within its lease agreement.

The Board of Directors of Church House Conference Centre Limited, continue to monitor the current financial position, trading conditions and future prospects monthly. The Board meets quarterly, or more frequently if required, and a summary of the Company’s trading and financial position is provided for consideration at each Council meeting.

Other related party transactions
There were no other related party transactions during the year that require disclosure (2021 – none).
## THE CORPORATION OF THE CHURCH HOUSE AND ITS SUBSIDIARY

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 17 Trading subsidiary – Church House Conference Centre Limited

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Summary of results of trading subsidiary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover</td>
<td>4,621,592</td>
<td>2,276,848</td>
</tr>
<tr>
<td>Operating costs</td>
<td>(3,767,914)</td>
<td>(2,514,983)</td>
</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>853,674</td>
<td>(238,135)</td>
</tr>
<tr>
<td>Coronavirus Job Retention Scheme grants</td>
<td>-</td>
<td>34,671</td>
</tr>
<tr>
<td>Bank interest receivable</td>
<td>3,971</td>
<td>115</td>
</tr>
<tr>
<td>Interest payable</td>
<td>(6,055)</td>
<td>(5,803)</td>
</tr>
<tr>
<td>Profit/(loss) on ordinary activities before taxation</td>
<td>851,590</td>
<td>(209,152)</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(loss) for the financial year</td>
<td>851,590</td>
<td>(209,152)</td>
</tr>
</tbody>
</table>

| Payments under deed of covenant |            |            |
| Provision for payment under deed of covenant | -          | -          |

| Movement in (accumulated losses) for the year | 851,590    | (209,152)  |

#### b) Inter group transactions

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>4,621,592</td>
<td>2,276,848</td>
</tr>
<tr>
<td>Less: sales to The Corporation</td>
<td>(1,235)</td>
<td>(1,235)</td>
</tr>
<tr>
<td>Net turnover</td>
<td>4,620,357</td>
<td>2,275,613</td>
</tr>
</tbody>
</table>

| Operating costs          | 3,767,914  | 2,514,983  |
| Less: purchases from The Corporation | (35,885)   | (4,756)    |
| Less: rent and service charge paid to The Corporation | (842,808)  | (909,314)  |
| Net operating costs      | 2,889,221  | 1,600,913  |

#### c) Net (liabilities) of trading subsidiary

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,829,485</td>
<td>1,454,744</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(2,779,989)</td>
<td>(2,256,838)</td>
</tr>
<tr>
<td>Net (liabilities)</td>
<td>49,496</td>
<td>(802,094)</td>
</tr>
</tbody>
</table>