

With Jesus
With each other
To the edges



Annual Report and Financial Statements

for the year ended 31 January 2023



CHURCH
MISSION
SOCIETY



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Church Mission Society – Group

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

Registered charity no. 1131655 (England and Wales)

Registered charity no. SC047163 (Scotland)

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

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Chair of Trustees' Report

Charles Clayton

What a privilege to see God at work and be reminded that his mission continues in a world full of challenges! I'm so very grateful to God and to all those supporting Church Mission Society through their prayers and gifts as we follow Jesus together. As you read the report from CEO Alastair Bateman in the following pages, I hope you will be as encouraged as I am to hear of real lives changed as faithful people in mission share the love of Jesus in ways that connect with those around them.

The year 2022 opened some new chapters at CMS, not least the launch of a new vision and purpose, along with a refreshed brand identity, in the spring. This includes the strapline: "With Jesus. With each other. To the edges." This encapsulates the heart of CMS's work and approach, as we follow Jesus together and connect with people at the edges: the edges of church, the edges of society, the edges of our comfort zones. This vision and

purpose are outlined further on the following pages.

We have been delighted to welcome new members of the senior team at CMS.

These included

Becky Morris joining as finance and corporate services director in March 2022, and Rev Virginia Luckett taking up the role of fundraising and communications director in June 2022. Becky and Virginia both have extensive experience in the charity sector. We said a fond farewell to Jim Barker as fundraising and communications director in June with gratitude for all he poured into his work during his time at CMS.

At the beginning of 2023 we also welcomed three new trustees to the Board: Catherine Morgan

Hickey, Rev Richard Moy and Rev Sarah Jane Hewitt. Between them they bring a wealth of experience of mission and charitable work in the UK and internationally. I look forward to working with them in the months and years to come.

Excitement built towards the end of the year as the organisation prepared to launch a campaign in late January to raise awareness of CMS and to reach new financial supporters and potential participants in mission. At the centre of the campaign is a simple message: "Jesus never gives up. Neither should we." It has been a joy to watch and read the stories of those who have encountered Jesus thanks to the faithfulness of CMS partners. I hope that you have caught a glimpse of these stories in 2023, and I look forward to sharing more with you next year.

Yet in the last year we have also been reminded that the edges are not comfortable. This became alarmingly true for our people in mission in Ukraine last February. After an initial six weeks away from Kyiv as a result of the invasion, once areas around the capital were de-occupied they were able to return. In the months since, these three people in mission, along with their church community, have been responding to the physical, emotional and spiritual needs of those around them through clearing rubble and rebuilding, running children's activities, providing food, warmth and access to electricity, and offering counselling. These are practical expressions of the gospel itself. Other people in mission in the Czech Republic and Romania have also offered hospitality and care to refugees arriving in their communities.

As I reflect on the last year, I give thanks to God and to the faithful supporters of CMS, who are vital in this work because of their generous gifts and prayers. It is such an honour to be part of this global family following Jesus to the edges together.

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

The Strategic Report of the CMS Trustees

The Trustees of Church Mission Society, who are Directors of the Charity for the purposes of the Companies Act 2006, present their annual report and the audited consolidated financial statements for the year ended 31 January 2023.

Objectives and Activities



Our Vision

To see our world made new through the love of God as we follow Jesus to the edges.



Our Goal

Communities and society are transformed as new disciples participate in the life and work of Jesus in our world.



Our Purpose

We exist to make disciples of Jesus at the edges.



Who we are

Jesus spent much of his time with people at the edges, and that's where we want to be too. Church Mission Society invites people at the edges of church, the edges of society and the edges of our comfort zones to follow Jesus and play a part in his story. Come with us to the edges and discover God at work in ways you might not have expected.



Our values

We are people who are:

- ▶ **Pioneering:** We are constantly seeking and moving to the edges of church, society and ourselves, and calling others to do the same: to try new things, ask questions, cross boundaries and not get too comfortable.
- ▶ **Evangelistic:** We share Jesus in word and action with people at the edges and invite them to be part of his story.
- ▶ **Relational:** We get alongside people, becoming a genuine part

of the edge-based communities where we find ourselves, recognising that often we are guests not hosts.

- ▶ **Faithful:** We remain true to our calling and don't get discouraged easily. We recognise that mission at the edges takes time, that God is our leading partner in all we do and can be trusted to bring needed change.



Where we work

By working “at the edges” we mean that we encourage individuals and groups of people to follow Jesus:

- At the edges of existing church
- At the edges of society
- At the edges of our comfort zones

Within the UK and overseas, we are specifically called to mission at the margins and cultural fringes, where Jesus is not often followed and which are often overlooked or written off. We believe God is already at work in these spaces and our task is to join in.



What we do

We are called to make disciples of Jesus where you may not expect to find them. And to see those disciples make more disciples until communities of people committed to following the way of Jesus are formed.

This is how we see change happen: person by person, community by community. To be more specific:

- We connect people with a heart for the edges so they can work together. Often this takes the form of cross-cultural hubs, or pockets of people from Western and non-Western backgrounds teaming up to bring change in a specific edge-based context.
- We train people for ground-breaking, transformational and sustainable mission in the UK and overseas.
- We equip churches to look around, see what God is doing among people at the edges within their communities and join in.

In CMS's vast history, thousands of people have crossed geographical, cultural and societal boundaries to make disciples of Jesus. Through their efforts, missteps and all, we have seen the gospel of Jesus make itself at home in a variety of contexts all over the world. Sometimes in ways we could never have foreseen.

Public benefit

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

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

Achievements and Performance

CEO's report by Alastair Bateman

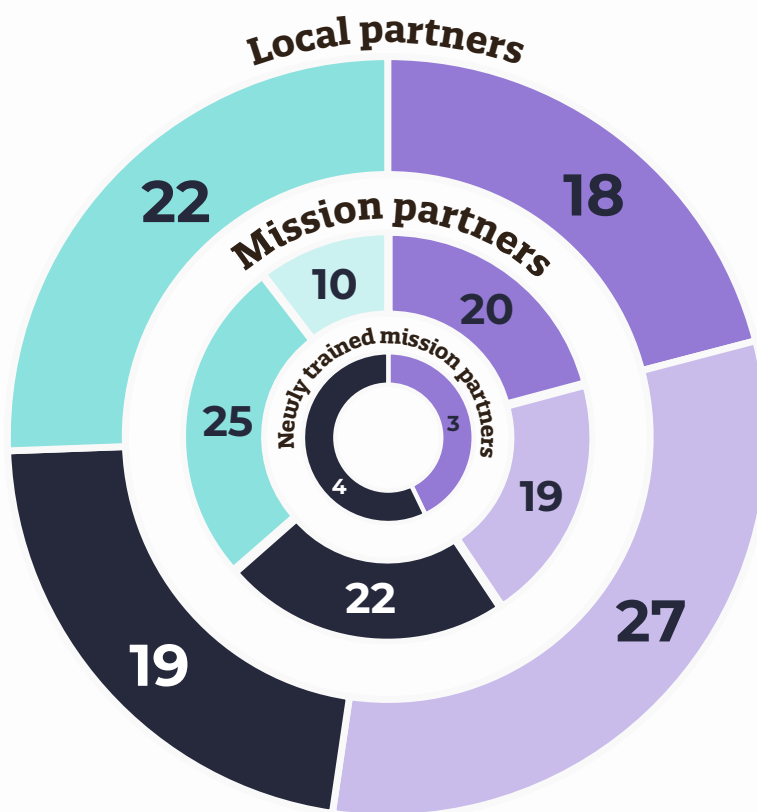
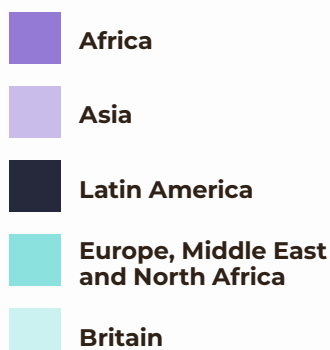
Jesus never gives up. Neither should we. This message has been at the heart of our communications since January 2023, but as I reflect on all that took place in the 2022–23 financial year, I am struck by how it sums up the ways in which CMS people in mission followed Jesus to the edges. It is an honour to partner with so many inspired and inspiring people as we seek to see our world made new by the love of God.

And I want to thank our faithful supporters for being a part of that story, through giving, prayer or participation in God's mission with us.

I hope that in the following pages I can capture some snapshots of how CMS has seen God at work at the edges around the world.

This year, 103 CMS mission partners worked in 36 countries, going to the edges in a variety of contexts. Alongside our mission partners, I am delighted that we were able to partner with 86 local leaders passionately committed to sharing the good news of Jesus. Among these people in mission, some walk alongside believers in Jesus from Muslim backgrounds across the Middle East and North Africa, while others serve indigenous groups on the margins in Latin America. Still more equip church leaders through theological education and training or translating resources, or reach out to unreached people groups. And others share the love of God with those on the margins through practical help in community projects, education or medical support.

Church Mission Society People in Mission



During the autumn, the CMS community house in Oxford was home to seven trainee mission partners as they came together to prepare to be sent out in mission. We joyfully commissioned them in December ahead of departures to Africa and Latin America in 2023.

We were pleased that three young people undertook gap year placements in Latin America and Africa, and we continue to support 83 mission associates and nine short-termers in a wide variety of locations.

In January 2023, it was an immense blessing to meet with some mission partners, local partners and mission associates in the remote Chaco region of northern Argentina, and to see how CMS's work

in the area is developing to meet the needs of a new generation. Over the last year, consultations have taken place to establish some key issues that indigenous communities would like to address. These culminated in a landmark congress in October 2022 in Salta, Argentina, bringing together 80 Christians from multiple indigenous groups, alongside CMS and leaders in the Anglican church. They produced a declaration setting out intentions and charting a path forward for indigenous peoples to work together with a new generation of leaders.

Meeting Mirna

Mirna is a young woman from the Wichí people in northern Argentina and her grandfather was one of the earlier indigenous evangelists of the local Anglican Church.

Throughout her life Mirna met people in mission connected to SAMS and CMS who supported leaders in the indigenous churches. She comments, "I always liked those teams of people who work daily to spread and defend the gospel. I never thought it was possible to be part of these organisations...."

After being confirmed, Mirna was part of a group brought together by a youth leader to learn about God's teaching, to pray and to have space to share their thoughts. Mirna stepped into leadership from a young age, helping to prepare Bible studies and being elected as youth president of the local church, and discovered a passion for supporting women and young people.

After finishing school, Mirna got a job as an indigenous teacher in the secondary school. Then, despite pressure to stay within the Wichí community, she travelled to share about its realities and to learn, working in the capital of the province.

Mirna always liked to listen to the older women in her community, "I consider them experienced in the path of faith. I learned a lot listening to women sharing." Mirna joined an Anglican women's committee. This group, supported by CMS mission partners, began



to think about a new way of working among women in the diocese. The result was AMARE (Anglican Women's Group Renewed in the Spirit), affiliated with Mothers' Union. Mirna is now one of the leaders of AMARE in the Diocese of Northern Argentina, and is working to connect with other groups in dioceses across South America.

As a younger leader, an important element of Mirna's ministry is to be a bridge between young people and older members of the community. Mirna is also working with other CMS local partners, mission partners and Latin America regional manager Paul Tester to develop longstanding ministry with indigenous groups for new generations. On being part of the CMS team, Mirna comments, "They are part of my family in Christ. I have great hope that this ministry will continue to grow with the indigenous peoples for Christ."

On a very different edge, CMS partners in the Middle East and North Africa are addressing some of the challenges facing seekers and believers in Jesus from a Muslim background.

I was moved to hear from them that those challenges go beyond the systemic persecution that we might be expecting. Particularly for “secret believers”, there are big questions around their identity and being free to be themselves, alongside the isolation of being cut off from family and friends if they share their faith. In addition, some churches across the Middle East and North Africa, as well as Europe and Britain, are hesitant to reach out to or welcome Muslim background believers (MBBs), out of suspicion of motives or fear of reprisal. These issues make it hugely difficult for MBBs to stick with following Jesus, and many turn either back to Islam or to atheism. CMS is partnering with an organisation that focuses on discipling groups of MBBs so they can in turn disciple others, recognising that if MBBs are going to continue growing in faith, there is a great need for people to journey alongside them.

I continue to be richly blessed by connections with the leaders of the other organisations in

“I continue to be richly blessed by connections with the leaders of the other organisations in the CMS mission network”

the CMS mission network: Asia-CMS, CMS-Africa, NZCMS, CMS Australia, CMS Ireland and SAMS-USA. We were able to gather in person in Kampala in October, hosted by CMS-Africa. It was inspiring to hear about CMS people in mission serving in Uganda over more than a century, as well as to visit current projects. And it is so encouraging to live out mission with each other across the world.

CMS-Africa have been developing work in order to make disciples in areas affected by conflict,

“Send someone for me”

Adam (name changed) in Bahrain started searching for Jesus at age 18. He explains, “I went to the church and told the priest I wanted to be Christian and to know more about Jesus, but he said he could not help me because of their policy. I asked God, ‘If Jesus is the truth, please let me know or send a sign or send someone for me.’”

One of Adam’s friends told him about someone online who could help him learn about Jesus. Adam contacted this woman, who lives in Egypt.

“She arranged for me to meet someone where I live.... The first time I met Mr M, he explained lots of things but I didn’t understand; I just thought he was crazy. But something inside me told me that Jesus, that Christianity, there is something there.”

Adam began to read the Bible. “I read Matthew, and I found myself reading fast because it was so interesting. I learned about Jesus from reading the Bible and from talking about my

questions with Mr M and the woman online. It was very easy to accept Jesus, because it was very logical when I read and understood what he did.”

But following Jesus hasn’t always been straightforward. One day, Adam was arrested after reading the Bible in public and discussing it with two men who turned out to be security officers. He spent a month in prison, which has made it hard to get a job, yet he still remains eager to share his faith with others: “I have walked with two new believers. I hope I will get to journey with others because I feel very happy when people come to know God and know the truth.”

Adam was able to participate in training with a CMS partner organisation and shared, “I’m doing the training because the thing I love the most is to help new people to know God.

“A year ago, I was thinking about emigrating, but after trying many times, I think God...wants me to stay and to share the good news here, so that is what I want to do. I want to do God’s work.”

Making disciples in a context of conflict

Following the first mission consultation CMS took part in, together with CMS-Africa, in DR Congo back in late 2021, the consensus had been that despite logistical challenges, it was good to bring people together around this pressing issue.

A further consultation was held in May 2022, this time in person in Wau, South Sudan, another area where conflict and violence are a major concern. The consultation process is an important part of CMS's engagement in mission – although consultation might give the impression of “all talk and no action”, the consultations CMS has been part of have been less about us talking and much more about us listening to voices from the edges. As CMS manager in Africa Joan Busolo comments, “When I listen, I understand better and communicate better,” Joan reflected. “I hear the silence, the unsaid words, the emotions and this is crucial to my partnerships....”



seeing this as central to working for peace in conflict zones, particularly in DR Congo and South Sudan. It has been a real encouragement to hear about the consultations that have been taking place.

Another joy in the year was to celebrate the first 10 years of Asia-CMS. My colleague Andy Roberts, CMS mission director, was able to travel to Kuala Lumpur, Malaysia, to join in celebrations and was encouraged by meeting people in mission and hearing their stories.

Asia-CMS celebrates 10 years

In 2022, the Asian-led mission movement and sister organisation of CMS marked 10 years of connecting, collaborating and catalysing mission in Asia.

When they began in 2012, Asia-CMS initially focused on establishing missionary education hubs. Ten years later, the organisation has grown to a team of 28 mission partners across South East and South Asia, carrying out a range of ministries including church planting, pioneering mission to unreached people groups, theological education, and cross-cultural and leadership training.

Asia-CMS is committed to engaging the world's least-reached people groups – many of which are found in Asia – with the Christian message in ways that are culturally relevant and



contextually appropriate.

A local partner working in Thailand comments: “Asia-CMS's vision matches my passion and heart for Asia and for the lost. It is a privilege to be a part of an organisation that aims to fulfil the commission to make disciples, spread the good news of Jesus, and more importantly, to walk alongside those who have a heart for God's mission – even those on the edge!”

Closer to home, this has been another significant year for CMS's work in Britain.

Alongside our 10 mission partners working with those on the margins (including in areas of high deprivation, among refugees and with those experiencing isolation), CMS's Pioneer Mission Training has continued to thrive this year.

In total, 75 students are participating in training based in Oxford in the 2022–23 academic year, across undergraduate and MA programmes. There are also 18 students engaged in doctoral studies with CMS and the University of Roehampton. 24 students celebrated their graduation in December 2022.

As courses continue to be accessible both online and on site, we have welcomed students from Ghana, Kenya, the Netherlands, Tanzania, Uganda and the USA, as well as across the UK – from Glasgow to Cornwall and Newcastle to Norfolk, and many places in between!

“We continue to be deeply grateful to God and to our supporters, without whom none of the activity described here would be possible.”

CMS's Pioneer Mission Training



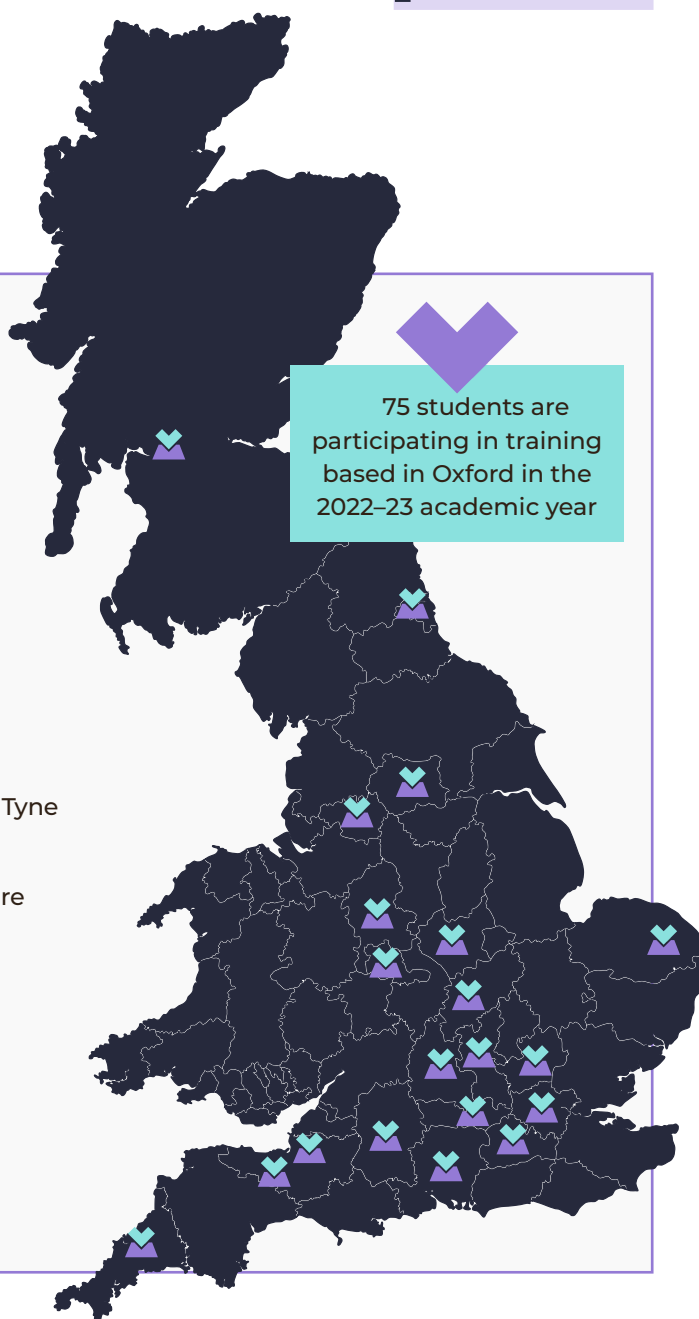
Students joined from around the world:

Tanzania, USA, Uganda, Kenya, Ghana and the Netherlands

Students joined training in Oxford either online or in person from:

- | | |
|----------------------|-----------------------|
| ▶ Bath | ▶ London |
| ▶ Bradford | ▶ Newcastle upon Tyne |
| ▶ Berkshire | ▶ Norfolk |
| ▶ Buckinghamshire | ▶ Northamptonshire |
| ▶ Cornwall | ▶ Oxford |
| ▶ Derby | ▶ Somerset |
| ▶ Glasgow | ▶ Staffordshire |
| ▶ Greater Manchester | ▶ Surrey |
| ▶ Hampshire | ▶ West Midlands |
| ▶ Hertfordshire | ▶ Wiltshire |
| ▶ Leicestershire | |

75 students are participating in training based in Oxford in the 2022–23 academic year



We were excited to welcome a second cohort of seven new students on the Africa diaspora-focused MA route, alongside a new lecturer working part time to support the development of this important stream.

Students continue to be trained at CMS pioneer hubs across the country, and this year two newly launched hubs welcomed their very first cohorts of students. The first of these is the South West Hub, launched in February 2022 as a collaboration between Truro, Salisbury and Bath & Wells dioceses, drawing in 26 students from across the region to train with CMS. (Expanding the work of the previous Bath & Wells hub, this partnership will deliver a mixture of in-person and online training.) The second is the Newbigin Pioneering Hub in Birmingham, which welcomed its first cohort of 20 students in September 2022, opening up training opportunities in the Midlands.

Both current students and pioneer graduates continue to put their training into practice in pioneering mission work in their local communities.

With many of the 2,661 CMS community members living across the UK, we continue to be committed to mission locally as well as in the rest of the world. Members of the Senior Leadership Team (SLT) and other staff have had the privilege of meeting with supporters at a range of conferences, including hybrid events focusing on CMS's work in Africa and Latin America.

We continue to be deeply grateful to God and to our supporters, without whom none of the activity described here would be possible.

Giving faith a fighting chance

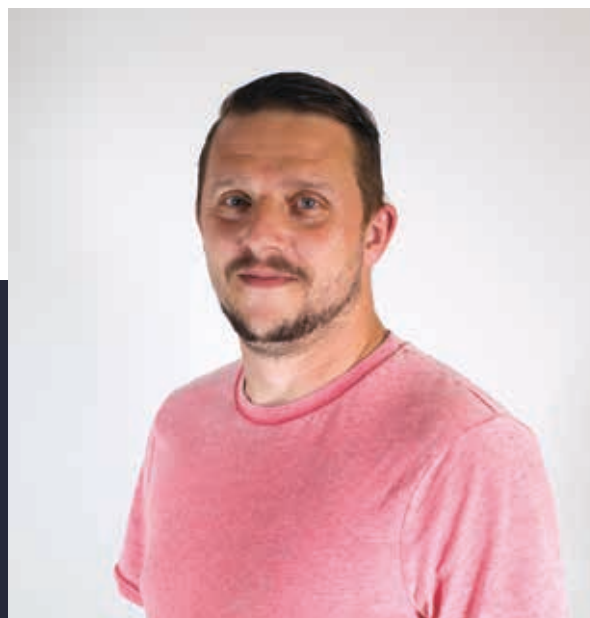
A working-class boy from east London, Jay Lilley sparred with army life, wealth and homelessness, but left behind the church attendance of his childhood.

Yet when he lived across the road from the Good Shepherd church, David (a pioneer minister who trained at CMS) was one of his neighbours. Jay shares, "We used to say hello and have a chat. At that point, I was boxing and David said, 'We have this spiritual boxing community at the Good Shepherd. You should come along.'

"So I went to the Good Shepherd Boxing Community, which David had started. It wasn't to do with faith – I needed to be fit for a fight. But the boxing group was a community. It was completely different.

"After about four weeks, David invited me to church. I went and sat right at the back. Then I started going to church more. The people at the Good Shepherd were from the boxing community and lived in the same flats as me. They were my kind of people. I just didn't know my kind of people went to church.

The community is more than just boxing.



These guys, like me, have not been around church, probably ever. So to see them ready to be baptised and give their lives to Jesus was incredible.

Having been mixed up in bad things when I was younger, once I came to faith I wanted to give back to someone. And one Sunday the youth worker explained that they needed new people to do youth outreach. So I joined the team.

I became part of St Cedd's [pioneer ministry training hub] in partnership with CMS, but I wanted more depth. David suggested I get in touch with CMS. I was accepted, so I'm studying for the Certificate on the youth work pathway, and preparing to be a lay pioneer minister. It's helped me loads within my ministries.

CMS strategic priorities

At the core of all of the work I have described above was the overarching aim of implementing the renewed vision and strategy for CMS, as established in the previous financial year. Over the last year, the CMS organisational strategic priorities were:

Mission programme development:

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

Many of the stories you have just read come from the work of these hubs, both those already implemented and those in development. As you have seen, mission partners, local partners and partner organisations have been collaborating to address specific missional challenges identified in various contexts.

Listening and consultations are ongoing in the development of further hub work in the UK and around the world. The mission team have been working alongside sister CMS organisations as well as local partners to bring additional hubs into being. A new CMS manager in Asia started in post during the autumn, and is working to develop hubs to implement in the coming year. We anticipate beginning implementation of several new hubs in the coming months.

Organisational development:

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

merged the two teams at the beginning of the financial year.

Across the organisation, teams have adopted a more consistent process of learning from existing and past projects, supported by the People and Learning Group. Each team has undertaken learning review workshops to consider relevant areas (including specific projects and wider culture) and consider potential improvements to practice. This continues into the current financial year, and is becoming an embedded part of CMS processes.

Fundraising and Communications:

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

The Fundraising and Communications Group saw these two teams merge at the beginning of the financial year. Over the course of 2022–23, this team delivered the launch of a new brand, expressing the renewed vision. The communications team produced a refreshed website, social media presences, printed publications and streamlined and revised our email communications. The teams also worked closely together to prepare for the launch of an integrated campaign at the end of the financial year, bringing together CMS's objectives around fundraising, engaging new donors and encouraging participation in mission.

“The CMS strategic priorities are designed to help fulfil CMS’s vision ‘to see our world made new through the love of God as we follow Jesus to the edges’.”

Future Plans: Strategic Priorities for 2023–24

Mission programme development:

Continue development of work into “hubs” with specific focus, either geographical, thematic or methodological. In particular, implemented hubs will build on the foundations laid so far to work towards their respective goals. We are planning for more hubs to begin implementation during the year:

Organisational development:

In light of the new hub-based work in CMS’s mission programme, we will develop relevant new ways of working, especially seeking to listen to voices from these edge contexts. We will work towards recruiting people in mission to the new hub areas along with recruiting for the needs of the wider team.

Fundraising and communications:

The fundraising and communications group will continue to embed the new brand and roll out the integrated campaign launched in January 2023. Through this we will tell compelling stories well, in order to engage new donors, raise awareness of CMS’s work and encourage participation in mission. The team will continue to develop internal processes to enable these outcomes.

The CMS strategic priorities are designed to help fulfil CMS’s vision “to see our world made new through the love of God as we follow Jesus to the edges”. Specifically, we want to contribute to CMS’s desired outcomes, to see:

- People come to encounter and follow Jesus Christ.
- New communities of disciples grow in their own cultures at the edges.
- Mission at the edges is multiplied as the passion for mission is imparted and mission movements grow.

Structure, Governance and Management

Legal Status

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

Charitable Objects

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

Patron

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

CMS Governance Arrangements

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

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

maximum of twice.

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

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

The Board has four sub-committees, each with specific terms of reference. These are:

- ▶ Finance Committee
- ▶ Fundraising Committee
- ▶ Governance Committee
- ▶ Mission Practice Committee

The purpose of the Finance Committee is to provide qualitative and quantitative input to Trustee decision making in relation to CMS's financial affairs. In this the committee is advisory, making recommendations to the whole Board. For the more technical areas of accounting, auditing, insurance, investment, pensions and property, the committee particularly helps the Board of Trustees to align decision making with expertise and knowledge.

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

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

The purpose of the Mission Practice Committee is to help the trustees to understand the mission practice of CMS, and be connected with the people involved, in order that Board discussions and decisions are well informed.

The Board of Trustees

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

Trustee	Governance committee	Finance committee	Fundraising committee	Mission Practice committee
Mr Charles Clayton (Chair)	✓	✓	✓	✓
Rev Canon Andrew Bowerman			✓	
Dr Ian Bromilow (to 24 03 2022)	✓	✓	✓	
Mr Beauman Chong	✓			
Rev Sarah Jane Hewitt (from 01 01 2023)			✓	
Ms Catherine Morgan Hickey (from 01 01 2023)				✓
Mrs Rini Ingleby (to 24 03 2022)				
Rev Canon John Kafwanka (to 22 09 2022)				
Dr Anne Keene			✓ (Chair)	
Mrs Fiona Lambert			✓	
Mrs Chloe Louter				✓ (Chair)
Dr Kevin McKemey				✓
Rev Richard Moy (from 01 01 2023)		✓		
Mr John Stansfeld	✓ (Chair)	✓		
Mr Simon Upcott	✓	✓ (Chair)		

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

CMS Senior Leadership Team

Chief Executive Officer	Mr Alastair Bateman
Deputy Chief Executive Officer & People and Learning Director	Mrs Debbie James
Mission Director	Canon Andy Roberts MBE
Britain Hub Mission Director	Mr Jonny Baker
Fundraising and Communications Director	Mr Jim Barker (to June 2022) Rev Virginia Lockett (from June 2022)
Finance and Corporate Services Director	Mrs Becky Morris

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

- International Mission – responsible for CMS engagement in international mission in partnership with churches and other agencies of mission worldwide, including members of the CMS Mission Network
- Britain Hub and Mission Education – overseeing the education and formation of pioneers, supporting UK churches in missional engagement and responsible for CMS's mission partners in Great Britain
- People and Learning – overseeing the selection, formation and ongoing support of people in mission, and supporting CMS with expertise in HR and safeguarding
- Fundraising and Communications – broad base fundraising from individuals, churches, trusts and major donors; embedding the CMS brand, telling the CMS story absorbingly and raising awareness and engagement with CMS and God's mission.
- Finance and Corporate Services – supporting CMS with expertise in finance, ICT, facilities and legal compliance

Key Management Personnel Remuneration Policy

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

Salaries of all staff, including the SLT, are reviewed annually taking inflation and the overall financial position of CMS into consideration. Remuneration levels are also benchmarked with Croner's charity pay and benefits report every four to five years to ensure that the level of remuneration is in line with roles in similar size organisations.

Fundraising

CMS has three sources of donation income to sustain its mission, without which CMS could not carry out its work. These are: Churches, Individuals and Trusts. The income from these sources is split 39 per cent Churches (2022: 36 per cent), 51 per cent Individuals (2022: 58 per cent) and 10 per cent Trusts (2022: 6 per cent). The Trustees are grateful for the faithful and committed support from them making CMS's work possible. We thank, inform and engage with our donors regularly, which we see as a key factor in retaining supporters. There is also income from legacies, kindly left to Church Mission Society by supporters in their will. This equates to between 15 and 30 per cent of our total income in any one year. The balance is from other income such as education fees and trading income. During the year CMS spent £768,000 (8.5 per cent of total income) on fundraising activity (2022: £709,000, 8.5 per cent) and the majority of this effort concentrated on raising support for CMS mission partners.

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

In 2022–23 we had a total of six complaints relating to our fundraising activity (2021–22: 5). We have appropriately resolved each one with the people raising the complaints and have made changes to our procedures where necessary.

Overall, given the schedule of fundraising activity in 2022–23, we consider this a very low level of complaint, as we have a mailing base of over 10,000 for our main publications and 6,000 for our fundraising appeals.

Use of Volunteers

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

Grants

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

Risk Management Policy and Internal Control

The Trustees regularly review the internal and external risks facing CMS. A formal risk management process has been developed and the charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. They have also considered the controls in place for these risks and have identified any necessary areas for action. This includes the regular review of CMS's financial position and internal control environment. CMS operates a comprehensive annual planning and budgeting system and any significant changes to these plans are subject to the specific approval of senior management and Trustees. The financial reporting system compares results with these plans on a monthly basis.

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

Economic Turmoil

Events of the past year have shown how world events impact the UK and the uncertainty and effects of inflation present risks to CMS in its cost base, investment values and capacity of donors to give.

Communication with supporters, launch of an integrated campaign and other new fundraising initiatives, plus investment strategies and cost control are helping to mitigate this risk.

Pensions

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

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

Reputation

Damage to reputation is a risk for any organisation and particularly important for a charity. One key area in this regard is safeguarding. The Board reviews and approves the CMS safeguarding policy every year and significant work has been undertaken on this during the year to ensure both our policy and practice continue to comply with the charity commission guidance on safeguarding.

Critical Incidents

In response to the increasing awareness of the security issues faced by CMS, robust security procedures have been put in place, security training has been rolled out to relevant high-risk personnel and the Crisis Management Team, with clear contingency plans for emergencies, has been put in place. The Crisis Management Team undertook training during the year including new staff members as relevant.

Financial Review

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

The financial results this year include three significant items relating to legacies and pensions. CMS has been blessed by its largest legacy to date at £1.8m. Pensions have been another area of significant blessings – through the movement of the CMS Pension Fund triennial results from deficit to surplus, and the opportunity taken on 30 November 2022 to settle SAMS’s remaining liabilities in respect of the Church Workers Pension Fund for nil cost, thus ending future liabilities and deficit payments. We are very thankful to the Lord for his goodness.

The review below provides some more detailed analysis.

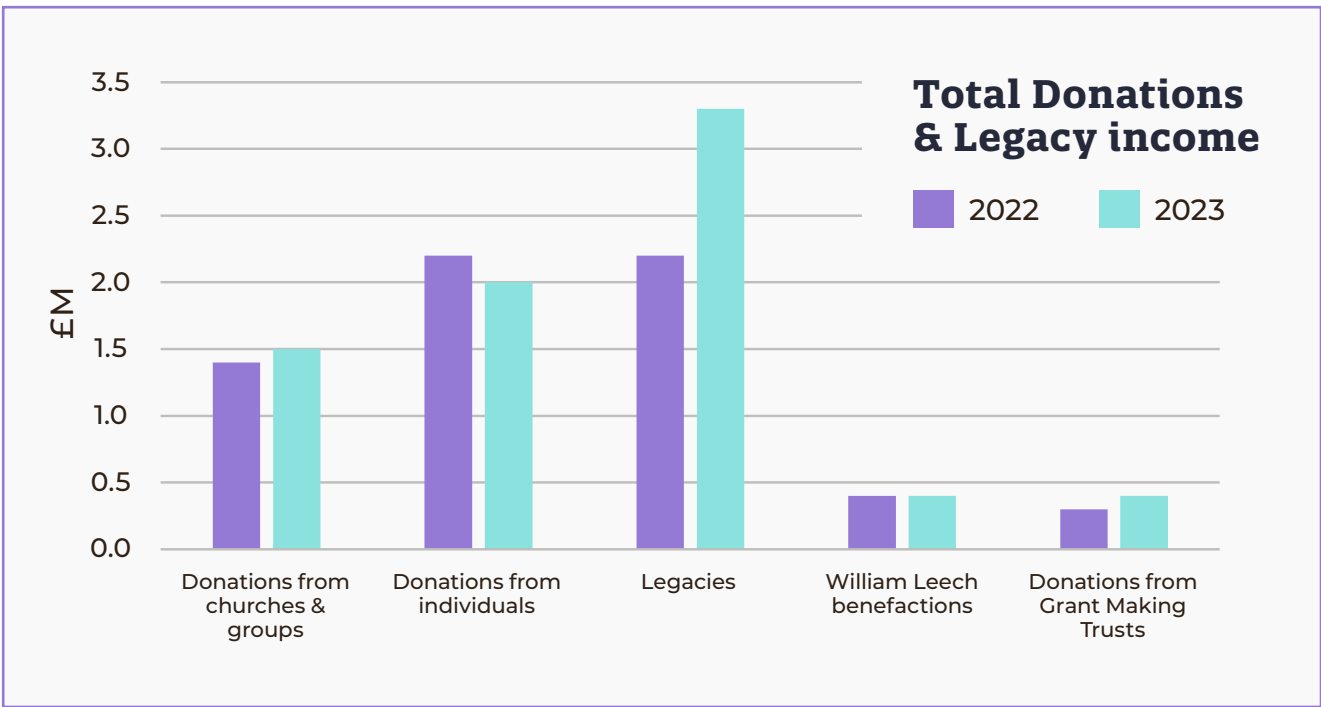
Income

Total income for the year was £9.0m (2022: £9.4m), a decrease of £0.4m from the previous year. The decrease is primarily because the prior year

financial results included additional income from one-off property sales and exceptional investment income.

Donations and legacy income (shown in the chart below) has increased by £1.1m to £7.6m (see Note 3 for breakdown), resulting from a £1.1m increase in legacy income. The results clearly show the importance of legacy income to CMS, representing 36 per cent (2022: 24 per cent) of the overall income during this financial year. Legacy income this year includes an exceptionally large legacy of £1.8m. The Trustees are extremely thankful for the generosity of those who make legacy gifts – often following a lifetime of faithful, prayerful service to God including support of CMS’s work. Such gifts are important for sustaining our efforts to follow Jesus to the edges. The Trustees are also grateful for the donations received from trusts during the year including from two William Leech charitable trusts. Income from trusts grew by £162k from prior year, primarily due to two large donations.

Investment income reduced by £0.9m as the prior year figures included an exceptional distribution. Other income fell by £0.5m to £0.2m as the previous year’s income had included gains from property sales.



Charitable Activity Expenditure

Total expenditure amounted to £7.4m (2022: £7.5m). Overall there has been a small decrease of £61,000 in total expenditure. The chart below shows how this is spent across our areas of work.

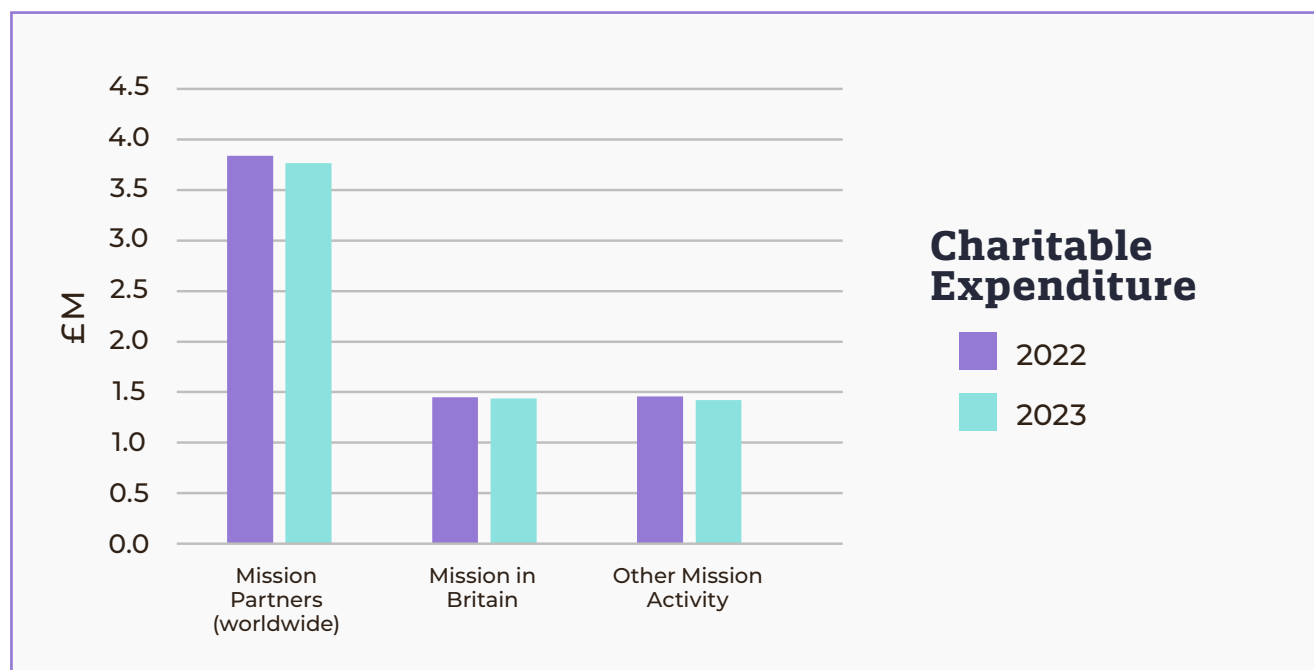
The recruitment, training and support of mission partners outside the UK is CMS's largest area of spending comprising 51 per cent of total expenditure (2022: 51 per cent). The majority of this expenditure supports 93 long term mission partners working in a range of activities in 35 different countries.

The other main areas of expenditure are Mission in Britain and Other Mission Activity . Expenditure

within the Mission in Britain category relates to 10 mission partners in Great Britain and the teaching and support of our students on the Pioneer Mission Training programme. Pioneer spending has primarily involved running the programme in Oxford and also work being undertaken by CMS pioneer hubs.

Other Mission Activity includes grants totalling £0.4m (2022: £0.4m) paid to CMS-Africa and Asia-CMS as part of CMS's Enabling Mission Network, and a local partner programme, supporting 86 local mission leaders around the world.

The breakdown below shows the proportions spent on each activity.

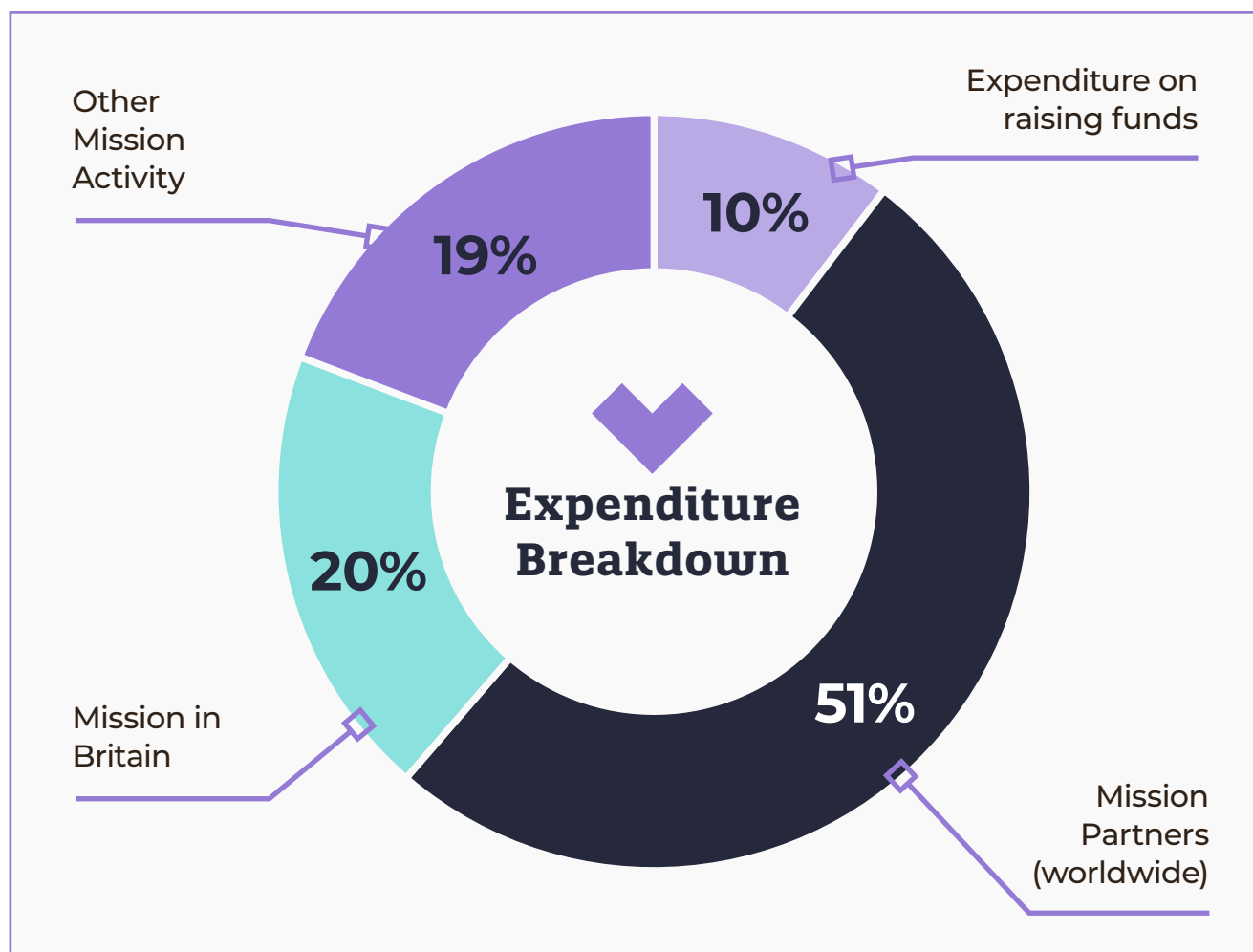


CMS Defined Benefit Pension Scheme

At the year-end the net liability recognised in the balance sheet relating to the CMS Pension Scheme (Defined Benefit Scheme) was £nil (2022: £nil) as measured in accordance with FRS 102. The FRS102 valuation initially resulted in a surplus of £5.75m (2022: £1.55m) which has been restricted to £nil as it is unlikely that CMS would be able to benefit from this.

During this financial year the next triennial

valuation of the Scheme took place as at 31 March 2022, and this was finalised by financial year end. At the previous triennial the Scheme had shown a deficit of £8.1m, and a recovery plan was put in place to pay off the deficit. This triennial the position greatly improved, with the Scheme in surplus by £152k as at the triennial date. The triennial and FRS102 valuations are calculated on different bases, so show different results. Cost to buy out as at the triennial date was £18.9m. As part of that valuation, CMS and the Pension Trustee agreed that contributions totalling £2.2m would be paid into the Scheme by 31 March 2023, inclusive



of the contributions already payable in accordance with the previous funding agreement from CMS. This level of additional funding was due under the existing schedule of contributions including the sale of a property charged as security to the pension scheme. The contributions are shown on the SOFA within the pension adjustments before net movement in funds.

The principal reasons for the changed triennial position was the deficit contributions paid, decrease in liability due to changes in the financial and demographic assumptions, increase in the discount rate due to a rise in corporate bond yields and reduced mortality assumptions. Full details of pension position and recovery plan applicable during the year can be found in Note 25.

Church of England Defined Benefit Scheme

CMS Group has active members in the Church of England Funded Pension Scheme (also known as the Clergy Scheme) (see Note 25B) and until 30 November 2022 had deferred members and pensioners previously employed by SAMS in the Church of England Defined Benefit Scheme (DBS) within the Church Workers Pension Fund (CWPF) (see Note 25C) which are both multi-employer schemes. On 30 November 2022 SAMS took advantage of the opportunity presented by improved market conditions to pay off in full its pension liabilities due to the CWPF with nil cost, preventing the need for future deficit contributions. The liabilities will continue to be met by the CWPF going forward for those relevant pension members.

The Group is grateful for the contributions paid by the Archbishops' Council, which amounts to some £190k for 19 active members of the Clergy Scheme.

Investment policy and review of investment performance

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

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

As at 31 January 2023, CMS had £4.2m (2022: £4.3m) of listed investments, £9.5m (2022: £10.8m) of unlisted investments and £12,000 (2022: £25,000) of cash held within the investment portfolio. This total of £13.7m of investments includes £8.8m of endowed funds where the capital is not available to be spent. Further details of investments can be found in Note 17 of the financial statements. Income from the investment portfolio of CMS contributed to a total investment income of £0.8m in the Statement of Financial Activities (2022: £1.7m). Further details of the make up of this investment income can be found in Note 6 of the financial statements. The net loss on investments in 2022–23 was £1.6m (2022 loss of £1.1m). This was dominated by a decrease in market value of investments held by William Leech (Investments) Ltd. During the year Cazenove Capital, who manage listed holdings, attended the Finance Committee to discuss the performance of CMS's listed investment portfolios, and the CMS Trustee representative on the Board of Directors of William Leech Investments participates in the review of performance of the investments managed by that entity.

Movement in funds

Taking CMS's funds in total, after investment losses, income exceeded expenditure by £55k during the year ended 31 January 2023. A £50k loss in revaluation of fixed assets and net losses on the two Pension Schemes of £1.2m gives an overall position of a net decrease in total reserves of £1.2m.

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

The reserves policy is reviewed annually, by the Trustees, in light of the specific risks faced by the charity. In 2023–24 CMS holds unrestricted general funds (free reserves) for the following reasons:

- To fund future pension deficits and contribute towards future costs of buy-out of the CMS Pension Scheme
- To fund capital expenditure in 2023–24, primarily on CMS properties
- To allow for any unbudgeted costs, in particular relating to a mission partner emergency situation
- To fund any one-off costs or investments required to implement the strategic review outcomes
- To provide working capital for cashflow purposes

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

Based on these calculations, the 2023–24 overall free reserve target for CMS is £3.4m (2022–23: £3.5m). The free reserves at 31 January 2023 are £3.4m.

Endowment Funds

Included in the balance sheet are Endowment Funds totalling £8.8m, the capital of which is not available to be spent.

Restricted Funds

The reserves policy for restricted funds is for sufficient assets to be held to meet the obligations of each fund and this is the case as at 31 January 2023.

Designated Funds

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

In addition the Trustees have set aside £0.75m from the exceptional legacy for a new strategic project fund.

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

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently
- ▶ observe the methods and principles in the Charities SORP
- ▶ make judgements and estimates that are reasonable and prudent
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

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

Auditors

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

The Trustees' Report, including the strategic report on pages 3 to 24, was approved by the Board of Trustees on 22 June 2023 and signed on their behalf by:



Charles Clayton – Chair of Trustees

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

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

Opinion

We have audited the financial statements of Church Mission Society ("the charitable company") and its subsidiaries ("the group") for the year ended 31 January 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2023 and of the group's income and receipts of endowments and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- ▶ adequate and proper accounting records have not been kept; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the

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

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

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

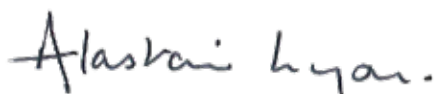
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of legacy income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance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

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

intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

Date:

6 July 2023

Consolidated Statement of Financial Activities

For the year ended 31 January 2023 (Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Income and endowments from:									
Donations and legacies	3	4,390	2,956	251	7,597	2,289	3,999	231	6,519
Charitable activities	4	263	14	-	277	237	73	-	310
Other trading activities	5	180	-	-	180	172	-	-	172
Investments	6	722	69	-	791	1,677	50	-	1,727
Other	7	67	132	-	199	600	115	-	715
Total income		5,622	3,171	251	9,044	4,975	4,237	231	9,443
Expenditure on:									
Raising funds	9	715	39	14	768	622	69	16	707
Charitable activities									
Mission Partners (worldwide)	10	940	2,829	-	3,769	1,126	2,714	-	3,840
Mission in Britain	10	1,019	418	-	1,437	1,022	429	-	1,451
Other Mission Activity	10	891	530	-	1,421	790	668	-	1,458
Total charitable expenditure		2,850	3,777	-	6,635	2,938	3,811	-	6,747
Total Expenditure	10,11	3,565	3,816	14	7,395	3,560	3,880	16	7,456
Net gains/(losses) on investments		(583)	-	(1,011)	(1,594)	(440)	-	(705)	(1,145)
Net income/(expenditure)		1,474	(645)	(774)	55	975	357	(490)	842
Transfers between funds	24	(5)	5	-	-	6	(6)	-	-
(Losses)/gains on revaluation of fixed assets		(50)	-	-	(50)	827	-	-	827
Actuarial (losses)/gains on defined benefit pension scheme	25	(2,258)	-	-	(2,258)	6,035	-	-	6,035
Other gains on pension scheme deficit reduction provision	25	-	1,066	-	1,066	-	257	-	257
Net movement in funds		(839)	426	(774)	(1,187)	7,843	608	(490)	7,961
Total funds brought forward		16,989	2,829	9,539	29,357	9,146	2,221	10,029	21,396
Total funds carried forward		16,150	3,255	8,765	28,170	16,989	2,829	9,539	29,357

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

Consolidated and Charity Balance Sheet

As at 31 January 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets					
Tangible fixed assets	16a	6,566	6,733	6,566	6,733
Investments: Unrestricted		5,025	5,620	5,025	5,620
Investments: Restricted and Endowment		8,728	9,513	8,728	9,513
	17	13,753	15,133	13,753	15,133
		20,319	21,866	20,319	21,866
Current assets					
Property held for sale	16b	1,170	1,220	1,170	1,220
Debtors	19	2,288	468	2,329	450
Cash at bank and in hand		7,110	8,241	6,498	7,565
		10,568	9,929	9,997	9,235
Current liabilities					
Creditors: amounts falling due within one year	20	(2,717)	(1,372)	(2,673)	(1,334)
Net current assets		7,851	8,557	7,324	7,901
Total assets less current liabilities		28,170	30,423	27,643	29,767
Net assets excluding pension assets or liability		28,170	30,423	27,643	29,767
Defined benefit pension scheme (liability)	25	-	(1,066)	-	-
Net assets		28,170	29,357	27,643	29,767
The funds of the charity:					
Unrestricted: General fund	24	3,429	3,544	3,429	3,544
Unrestricted: Designated funds	24	12,721	13,445	12,721	13,445
Unrestricted: Pension deficit	24	-	-	-	-
Unrestricted funds		16,150	16,989	16,150	16,989
Restricted funds excluding pension deficit	24	3,255	3,895	2,728	3,239
Restricted pension deficit	24	-	(1,066)	-	-
Restricted funds		3,255	2,829	2,728	3,239
Endowment funds	24	8,765	9,539	8,765	9,539
	24	28,170	29,357	27,643	29,767

The accompanying notes are an integral part of this Balance Sheet. The financial statements on pages 30 to 64 were approved by the Board of Trustees and authorised for issue on 22 June 2023 and signed on their behalf by:

Charles Clayton – Chair of Trustees

Consolidated Cash Flow Statement

As at 31 January 2023

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

	2023 £'000	2022 £'000
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	55	842
Adjustments for:		
Investment income	(791)	(1,727)
Net losses/(gains) on investments	1,594	1,145
Depreciation charge	258	245
Decrease in stock	-	1
Decrease/ (increase) in debtors	(1,800)	257
(Decrease)/increase in creditors	1,345	(47)
Decrease in pension scheme deficit reduction provision	-	(181)
Net charge for defined benefit pension scheme	(2,258)	(594)
Profit on disposal of freehold property	-	(498)
Profit on disposal of motor vehicles	(1)	-
Gift of shares	-	(6)
Net cash used in the Group's operating activities	(1,598)	(563)

Statement of cash flows

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash used in operating activities		(1,598)	(563)
Cash flows from investing activities:			
Dividends, interest and other income from investments		771	1,796
Purchase of assets held for sale		-	(270)
Purchase of tangible fixed assets		(91)	(62)
Proceeds from sale of freehold fixed assets and assets held for sale		1	824
Purchase of investments		(538)	(1,320)
Proceeds from sale of investments		324	1,124
Net cash provided by investing activities		467	2,092
Change in cash and cash equivalents in the year		(1,131)	1,529
Cash and cash equivalents at the beginning of the year	29	8,241	6,712
Cash and cash equivalents at the end of the year	29	7,110	8,241

Cash and cash equivalents comprise the amounts shown in the Balance Sheet as "Cash at bank and in hand", and includes £126,000 as at 31 January 2023 relating to cash held in an endowment fund (2022: £115,000).

Notes to the Financial Statements

As at 31 January 2023

1. Charity information

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

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

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

CMS is the sole corporate member of The South American Mission Society with the same group of Trustees common to both societies and accordingly The South American Mission Society (SAMS) is considered to be a subsidiary undertaking of

CMS. Further information about CMS’s subsidiary undertakings, including SAMS and CMS House Enterprises Ltd, is included in Note 27.

2. Accounting policies

Basis of preparation

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

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

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

Assessment of going concern

The Trustees have reviewed the financial position and forecasts of the charity and conclude they have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

Accounting estimates and judgements

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

Basis of consolidation

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

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

Donations, legacies and other income

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

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

Financial instruments

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

Investments and investment income

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

The unlisted investment in William Leech (Investments) Limited is included in the financial statements as the Charity's share of the net asset value at 31 January 2023 (unaudited). The year-end of William Leech (Investments) Limited is 31 March.

The social investment (mixed purpose) in Clean for Good Ltd is included in the financial statements as the Charity's share of the net asset value shown in that company's accounts at 31 January 2023. The year-end of Clean for Good Ltd is 31 March 2023. The investment is not justified wholly by either the financial return or by the contribution it makes to the charity's aims but by the combination of the two.

Fund accounting and the allocation of income and expenditure by fund

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

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

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

The endowment funds represent assets which have the restriction that the revenue generated

Notes to the Financial Statements

As at 31 January 2023

by holding the asset is available to spend but the capital itself cannot be spent. Income generated from endowment funds is applied to unrestricted or restricted Funds as appropriate.

Expenditure

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

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

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

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

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

Foreign currencies

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

Stock

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

Tangible fixed assets, depreciation and property held for sale

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

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

Operating leases

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

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

Pensions

The Charity (CMS) has members in a defined benefit pension scheme, both employees and mission partners. For certain other employees and mission partners the Charity contributes to personal money purchase pension schemes (defined contribution schemes).

Defined contribution schemes

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

Defined benefit scheme – CMS Pension Scheme

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

Defined benefit schemes – multi-employer schemes

Until 30 November 2022, when it settled its liabilities to the scheme in full, The South American Mission Society (SAMS) participated in the Church of England Defined Benefit Scheme (DBS) and the Church of England Pension Builder Scheme (PBS),

both of which are separate sections of the Church Workers Pension Fund (CWPF). The assets of the funds are held separately from those of the Society.

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

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

Government Grants

Grants are accounted for under the performance model as permitted by the charity SORP.

Coronavirus Job Retention Scheme (CJRS) grant income is therefore recognised on a straight-line basis over the furlough period for each relevant employee.

Notes to the Financial Statements

At 31 January 2023

3. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Donations from churches and groups	170	1,328	-	1,498	158	1,255	-	1,413
Donations from individuals	675	1,293	-	1,968	762	1,461	-	2,223
Legacies	3,158	130	-	3,288	1,115	1,122	-	2,237
William Leech benefactions	189	-	251	440	174	-	231	405
Donations from grant making trusts	198	205	-	403	80	161	-	241
	4,390	2,956	251	7,597	2,289	3,999	231	6,519

Legacies of which CMS has been notified, but not recognised as income, are estimated at £999,000 (2022: £797,000).

William Leech Benefactions

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

4. Income from charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Pioneer Mission Education training	263	-	-	263	237	-	-	237
Partnership for Missional Church training	-	2	-	2	-	57	-	57
Events	-	12	-	12	-	16	-	16
	263	14	-	277	237	73	-	310

5. Income from other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Income from property	164	-	-	164	161	-	-	161
Use of conference facilities	16	-	-	16	11	-	-	11
	180	-	-	180	172	-	-	172

6. Income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Income from William Leech (Investments) Limited	582	-	-	582	1,635	-	-	1,635
Investments listed on a recognised stock exchange	42	59	-	101	34	49	-	83
Interest on cash balances	98	10	-	108	8	1	-	9
	722	69	-	791	1,677	50	-	1,727

Notes to the Financial Statements

At 31 January 2023

7. Other income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Other income	66	132	-	198	93	110	-	203
Gain on disposal of freehold property	-	-	-	-	498	-	-	498
Gain on disposal of motor vehicles	1	-	-	1	-	-	-	-
Government grants	-	-	-	-	9	5	-	14
	67	132	-	199	600	115	-	715

The government grant income relates to the CJRS furlough scheme claimed from HMRC during 2021-22. This included both staff members and mission partners.

8. Operating leases as a lessor

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

	2023 £'000	2022 £'000
Not later than one year	51	78
Later than one year and not later than five years	9	34
Later than five years	13	13
	73	125

There are no contingent rents recognised as income.

9. Expenditure on raising funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Cost of generating voluntary income	679	39	-	718	661
Cost of activities for generating funds	25	-	-	25	17
Investment management costs	11	-	14	25	29
	715	39	14	768	707

10. Analysis of expenditure

	Direct	Grants	Support Costs	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Raising funds					
Costs of generating voluntary income	437	-	281	718	661
Cost of activities for generating funds	25	-	-	25	17
Investment management costs	25	-	-	25	29
	487	-	281	768	707
Charitable activities					
Mission Partners (worldwide)	3,101	53	615	3,769	3,840
Mission in Britain	1,087	1	349	1,437	1,451
Other Mission Activity	368	657	396	1,421	1,458
	4,566	711	1,360	6,635	6,749
Total Expenditure	5,044	711	1,640	7,395	7,456

Notes to the Financial Statements

At 31 January 2023

11. Support costs by activity

	Finance and ICT £'000	Personnel and Development £'000	Facilities and Premises £'000	Governance £'000	Total 2023 £'000	Total 2022 £'000
Raising funds						
Costs of generating voluntary income	218	-	55	8	281	260
Charitable activities						
Mission Partners (worldwide)	336	94	164	21	615	570
Mission in Britain	126	59	164	-	349	340
Other Mission Activity	164	56	164	-	396	378
Total Support Costs	844	209	547	41	1,641	1,548

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

Governance costs relate to the audit fee of £41,000 (2022: £36,000) and included in Finance and ICT are non-audit fees of £2,000 (2022: £1,000). All fees are shown gross of VAT.

Depreciation of £258,000 (2022: £245,000) is included in Facilities and Premises support costs.

12. Obligations under operating leases

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

	2023 £'000	2022 £'000
Within one year	3	3
In two to five years	3	-
After five years	-	-
	6	3

Operating lease charges in the year to 31 January 2023 were £3,000 (2022: £3,000).

13. Analysis of grants

By category of charitable expenditure	Grants to Institutions	Grants to Individuals	Total grants in year to 31 January 2023	Total grants in year to 31 January 2022
	£'000	£'000	£'000	£'000
Mission Partners (worldwide)	6	47	53	84
Mission in Britain	-	1	1	-
Other Mission Activity	616	41	657	713
	622	89	711	797

By geographical area	Grants to Institutions	Grants to Individuals	Total grants in year to 31 January 2023	Total grants in year to 31 January 2022
	£'000	£'000	£'000	£'000
Africa	238	-	238	305
Asia	182	16	198	205
Europe, the Middle East and North Africa	85	7	92	135
Latin America	117	66	183	152
	622	89	711	797

Analysis of Grants to Institutions	Nature of grant	Country	Grants to Institutions
			£'000
Africa			
Buigiri School for the Blind	Mission grants for education and disability programmes	Tanzania	31
CMS-Africa	Local Partners	Africa	48
CMS-Africa	Other grants	Africa	4
CMS-Africa	Enabling Mission Network	Africa	172
CMS-Africa	Adjustments for grant accrual	Africa	(27)
Other Institutions grants under £10k			10
Total			238
			£'000
Asia			
Asia-CMS	Enabling Mission Network	Asia	160
Asia-CMS	Local Partners	Asia	40
Asia-CMS	Local Partners grant accrual adjustment	Asia	(18)
Total			182

Notes to the Financial Statements

At 31 January 2023

Europe, the Middle East and North Africa			
Nasr City Evangelical Church	Capacity grant and local partners	Egypt	53
Local partner	Local partner grant accrual adjustment	EMENA	(13)
Other Institutions grants under £10k			45
Total			85
Latin America			
Diocese of Northern Argentina	Mission grants for community projects and local partners	Argentina	36
Diocese of Bolivia	Mission grants for community projects and local partners	Bolivia	12
Other Institutions grants under £10k			69
Total			117
Total Institutional Grants			622

14. Staff costs and other employee benefits

	2023	2023	2023	2022
Staff costs	UK Staff	Mission Partners	Total	Total
	£'000	£'000	£'000	£'000
Salaries and allowances	1,982	1,489	3,471	3,522
Social security cost	195	31	226	223
Employer's pension contributions (Defined contribution)	392	262	654	661
Employer's pension contributions (Defined benefit)	-	76	76	85
Redundancy and relocation costs	25	6	31	37
	2,594	1,864	4,458	4,528

Two employees received emoluments of between £60,000 and £70,000 (2022: two employees).

The total amount of employee benefits received by key management personnel for their services during the year is £413,000 (2022: £393,000). The number of volunteers working for Church Mission Society is 30 (2022: 30). During the year total redundancy and other termination payments were £31,000 (2022: £37,000).

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

UK Staff	2023	2022
	Number	Number
Raising funds	12	12
Charitable activities	54	52
Governance of the charity	1	1
UK Staff	67	65
Mission Partners	94	100
	161	165

15. Trustees' expenses

	2023	2022
	£'000	£'000
Expenses incurred by Trustees and reimbursed by Church Mission Society	1	-
Expenses incurred by Church Mission Society on behalf of the Trustees	1	-
Trustees' indemnity insurance cover cost	11	7
	13	7

The Trustees receive no remuneration for their services, but are reimbursed expenses in respect of travel and accommodation expenses for attending meetings. In 2023 three Trustees received expenses (2022: two). Charles Clayton (Chair of Trustees of CMS) also served as a Director of CMS-Africa (Registered in Kenya) up until 30 June 2022. For more details of transactions with CMS-Africa, see Note 22. The aggregate value of donations made to Church Mission Society by Trustees who served as trustees during year to the general fund was £4,000 (2022: £6,000) and to restricted funds £2,000 (2022: £2,000).

Notes to the Financial Statements

At 31 January 2023

16. Tangible fixed assets and property held for sale

Part A: Tangible fixed assets

The Group and Charity

	Freehold Property	Long Leasehold Property	Motor Vehicles	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 February 2022	8,302	267	24	1,477	10,070
Additions	-	-	2	89	91
Disposals	-	-	(24)	(37)	(61)
At 31 January 2023	8,302	267	2	1,529	10,100
Depreciation:					
At 1 February 2022	2,083	38	24	1,192	3,337
Charge for the year	100	5	-	153	258
Disposals	-	-	(24)	(37)	(61)
At 31 January 2023	2,183	43	-	1,308	3,534
Net Book Value:					
At 31 January 2022	6,219	229	-	285	6,733
At 31 January 2023	6,119	224	2	221	6,566

- (a) Capital expenditure authorised and contracted but not yet incurred was £nil (2022: £nil).
- (b) The net book value of long leasehold properties at 31 January 2023 includes two leasehold UK properties (2022: 2).
- (c) The net book value of fixtures, fittings and office equipment comprises:

	2023 £'000	2022 £'000
Fixtures and fittings	142	159
Office furniture	2	5
Computer hardware/software	77	120
Audio and other equipment	-	1
	221	285

Part B: Property held for sale

Included in Current Asset investments are two properties which the trustees are actively seeking to sell with a net book value of £1,170,000 (2022: two properties £1,220,000) within the next 12 months. One of the properties held for sale at 31 January 2023 was sold in February for £306k (net proceeds). The amount recorded in the accounts is adjusted to the current market value as agreed by surveyors.

17. Investments

The Group and Charity Analysis of Movement in Investments

	Listed	Unlisted	Social	Held as cash	2023	2022
Market Value:	£'000	£'000	£'000	£'000	£'000	£'000
At 1 February	4,280	10,795	33	25	15,133	16,076
Additions to investments	298	240	-	-	538	1,326
Proceeds from disposals	(311)	-	-	-	(311)	(986)
Net movement in cash held by investment manager	-	-	-	(13)	(13)	(138)
Net gain/(loss) on investments	(38)	(1,564)	8	-	(1,594)	(1,145)
At 31 January	4,229	9,471	41	12	13,753	15,133

Unlisted Investments (shown at market value)

	2023 £'000	2022 £'000
Unrestricted Funds		
Ordinary shares – William Leech (Investments) Ltd	3,233	3,807
	3,233	3,807
Endowment Funds		
Ordinary shares – William Leech (Investments) Ltd	6,238	6,988
	9,471	10,795

Investments – William Leech (Investments) Limited

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

During the year CMS subscribed to additional share capital amounting to £240,000 in William Leech (Investments) Limited, 57 per cent of the voluntary income received in 2022–23. The historical cost of the investment and the reinvestment in respect of the year to 31 January 2023 was as follows:

	2023 £'000	2022 £'000
At historical cost:		
Balance at 1 February	7,222	6,994
Shares purchased at £1 each	240	228
Balance at 31 January	7,462	7,222

Notes to the Financial Statements

At 31 January 2023

The Total Net Assets of William Leech (Investments) Limited at 31 January (unaudited) was £47.3m (2022: £53.9m) comprised of listed securities £41.9m, property £0.1m, other net assets £5.3m. The Charity is one of five charities which each hold 20 per cent of the issued share capital of the company. CMS's share of the net assets is therefore £9.4m (2022: £10.8m). The Charity has a representative on the board of William Leech (Investments) Limited but this does not give the Charity the ability to control or exert significant influence over the company's day-to-day management or financial policies.

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

Social Investment (unlisted shown at market value)

	2023 £'000	2022 £'000
Unrestricted Funds		
Ordinary shares – Clean for Good Ltd at historical cost	30	30
Less: gain/(loss)	11	3
	<u>41</u>	<u>33</u>

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

Custodian funds

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

	2023 £'000	2022 £'000
Value at 31 January	5	5
	<u>5</u>	<u>5</u>

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

18. Financial instruments

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

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Financial assets measured at fair value, through profit and loss				
Unlisted investments	9,512	10,828	9,512	10,828
Other investments	4,241	4,305	4,241	4,305
Financial assets measured at amortised cost				
Cash at bank and in hand	7,110	8,241	6,498	7,565
Amounts due from subsidiaries	-	-	54	12
Other receivables (excluding prepayments)	2,128	279	2,115	249
Financial liabilities measured at amortised cost				
Amounts due to subsidiaries	-	-	-	(17)
Other creditors due within one year (excluding tax and deferred income)	(2,456)	(1,185)	(2,435)	(1,148)

19. Debtors

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Trade debtors	107	46	96	38
Taxation recoverable	30	29	30	28
Amounts owed by group entities	-	-	54	12
Prepayments	160	189	160	189
Accrued income	1,926	117	1,924	96
Other debtors	65	87	65	87
	2,288	468	2,329	450

Notes to the Financial Statements

At 31 January 2023

20. Creditors

Amounts falling due within one year

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
Trade creditors	180	195	173	194
Amounts owed to group entities	-	-	-	17
Accruals for grants payable	244	313	244	313
Other accruals	161	175	151	165
Taxes and social security costs	172	132	149	114
Deferred income	89	55	89	55
Other creditors	1,871	502	1,867	476
	2,717	1,372	2,673	1,334

Included in "Other creditors" are pension contributions due to the CMS Defined Benefit Pension Scheme of £1,867,000 (2022: £366,000), pension and administration expenses due to the CWPF Defined Benefit Pension Scheme of £nil (2022: £17,000) and pension contributions due to the CWPF Pension Builder 2014 Defined Benefit Pension Scheme of £nil (2022: £9,000). As outlined in Note 25.C, the Group has settled all liabilities of the CWPF Pension scheme as at 30 November 2022 and no further contributions are due. In addition, there are pension contributions to the Group's other defined contributions pension schemes of £42,000 (2022: £42,000). All deferred income as at 31 January 2022 was recognised during the year ended 31 January 2023. Deferred income relates to amounts received in advance of entitlement.

21. Registered holder

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

22. Related party transactions

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

South American Mission Society (SAMS)

In 2022–23, SAMS charged the Charity (gift from parent entity) with £414,000 (2022: £422,000). This calculation pertains to the amount of restricted funds received by the Charity (Church Mission Society), but relating to mission partners employed by SAMS. Each year, the Charity transfers a gift to SAMS of restricted funds relating to mission partners who are still employed by its legal entity to reflect the income received by the parent charity.

CMS House Enterprises Ltd

In 2022–23 the Charity charged CMS House Enterprises Limited management fees totalling £4,000 (2022: £2,000). These are calculated as a percentage of external conference and catering services income.

In 2022–23 the Charity charged CMS House Enterprises Limited licence fees totalling £1,000 (2022: £600). These are calculated as a percentage of total conference and catering services room hire income.

In 2022–23 CMS House Enterprises Limited charged the Charity room hire fees totalling £15,000 (2022: £5,000). These fees are based on usage of rooms hired relating to courses run by the Pioneer Mission Education team.

CMS-Africa

Charles Clayton (CMS Chair of Trustees) was appointed Director of CMS-Africa (an independent organisation based in Nairobi, Kenya) in October 2015 and he resigned in June 2022. During 2022–23 CMS paid CMS-Africa £229,000 (2021–22: £266,000). Included in the amounts paid is £176,000 (2021–22: £210,000) which relates to Mission Support funding, and the remainder is support for the local partner programme plus other grants. Mr Clayton was one of seven Directors.

Notes to the Financial Statements

At 31 January 2023

23. Net assets by fund

The Group – 2023	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	6,360	206	-	6,566
Investments	5025	89	8,639	13,753
Current assets	7,245	3,197	126	10,568
Less: Current liabilities	(2,480)	(237)	-	(2,717)
Less: Defined benefit pension liability	-	-	-	-
Net Assets 2023	16,150	3,255	8,765	28,170

The Charity – 2023	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	6,360	206	-	6,566
Investments	5,025	89	8,639	13,753
Current assets	7,242	2,629	126	9,997
Less: Current liabilities	(2,477)	(196)	-	(2,673)
Less: Defined benefit pension liability	-	-	-	-
Net Assets 2023	16,150	2,728	8,765	27,643

The Group – 2022	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	6,522	211	-	6,733
Investments	5,620	89	9,424	15,133
Current assets	6,050	3,764	115	9,929
Less: Current liabilities	(1,203)	(169)	-	(1,372)
Less: Defined benefit pension liability	-	(1,066)	-	(1,066)
Net Assets 2022	16,989	2,829	9,539	29,357

The Charity – 2022	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Fixed assets	6,522	211	-	6,733
Investments	5,620	89	9,424	15,133
Current asset	6,030	3,090	115	9,235
Less: Current liabilities	(1,183)	(151)	-	(1,334)
Less: Defined benefit pension liability	-	-	-	-
Net Assets 2022	16,989	3,239	9,539	29,767

24. Funds

Unrestricted Funds: Group

	At 1 February 2022	Income	Expenditure	Net Gain/ (Loss) on Investments	Transfers	Revaluation of fixed assets	Actuarial Gain on Defined Pension Scheme	At 31 January 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General fund	3,544	5,622	(3,025)	(9)	(2,703)	-	-	3,429
Tangible Fixed Asset fund (Designated)	7,742	-	(254)	-	92	(50)	-	7,530
William Leech Fund (Designated)	3,807	-	-	(574)	-	-	-	3,233
Strategic Project Fund	-	-	-	-	750	-	-	750
Pension Fund	1,896	-	(27)	-	(661)	-	-	1,208
Pension reserve	-	-	(259)	-	2,517	-	(2,258)	-
Unrestricted Funds	16,989	5,622	(3,565)	(583)	(5)	(50)	(2,258)	16,150

Unrestricted Funds: Charity

	At 1 February 2022	Income	Expenditure	Net Gain/ (Loss) on Investments	Transfers	Revaluation of fixed assets	Actuarial Gain on Defined Pension Scheme	At 31 January 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
General fund	3,544	5,587	(2,990)	(9)	(2,703)	-	-	3,429
Tangible Fixed Asset fund (Designated)	7,742	-	(254)	-	92	(50)	-	7,530
William Leech Fund (Designated)	3,807	-	-	(574)	-	-	-	3,233
Strategic Project Fund	-	-	-	-	750	-	-	750
Pension Fund	1,896	-	(27)	-	(661)	-	-	1,208
Pension reserve	-	-	(259)	-	2,517	-	(2,258)	-
Unrestricted Funds	16,989	5,587	(3,530)	(583)	(5)	(50)	(2,258)	16,150

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

Notes to the Financial Statements

At 31 January 2023

Endowment Funds The Group and Charity

	At 1 February 2022	Income	Expenditure	Net Gain/ (Loss) on Investments	Transfers	At 31 January 2023
	£'000	£'000	£'000	£'000	£'000	£'000
William Leech Capital Fund	7,104	251	-	(990)	-	6,365
P Fund	1,254	-	(7)	(11)	-	1,236
H B Aserappa Fund	644	-	(4)	(5)	-	635
R H Aserappa Fund	425	-	(2)	(5)	-	418
Christava Mahilalayam Fund	87	-	(1)	-	-	86
Bell Trust Fund	25	-	-	(1)	-	24
Total Endowment funds	9,539	251	(14)	(1,012)	-	8,764

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

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

China	£165,000
India	£415,000
Medical work	£338,000
Palestine	£45,000
General reserves	£273,000
	£1,236,000

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

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

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

Notes to the Financial Statements

At 31 January 2023

Restricted Funds The Group and Charity

	At 1 February 2022	Income	Expenditure	Net Gain on Investments	Transfers	Pension Deficit Provision	At 31 January 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mission Personnel Funds	778	1,615	(1,878)	-	164	-	679
South America Funds – Charity	2	57	(54)	-	(4)	-	1
Latin America Projects	1,064	66	(84)	-	(14)	-	1,032
Africa Projects	469	82	(230)	-	(2)	-	319
Asia Projects	181	10	(29)	-	14	-	176
Europe & Middle East Projects	24	26	(24)	-	3	-	29
Multi Region Projects	132	391	(265)	-	(187)	-	71
St Julian's Fund	211	-	(5)	-	-	-	206
Tanzania Education Fund	58	2	(34)	-	-	-	26
H B Aserappa Income Fund	-	15	(15)	-	-	-	-
R H Aserappa Income Fund	33	9	-	-	-	-	42
Christava Mahilalayam Income	18	2	-	-	-	-	20
Partnership for Missional Church	35	14	(54)	-	6	-	1
Mid-Africa Fund	29	62	(89)	-	-	-	2
Strategic Mission Fund	42	-	(9)	-	(33)	-	-
Local Partner Fund	-	60	(146)	-	87	-	1
Other restricted funds	163	135	(146)	-	(29)	-	123
Total restricted funds – Charity	3,239	2,546	(3,062)	-	5	-	2,728
South America Funds – Group	656	625	(754)	-	-	-	527
South America Funds – Pension reserve (see Note 25C)	(1,066)	-	-	-	-	1,066	-
South America Total	(410)	625	(754)	-	-	1,066	527
Total restricted funds – Group	2,829	3,171	(3,816)	-	5	1,066	3,255

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

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

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

Notes to the Financial Statements

At 31 January 2023

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

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

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

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

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

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

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

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

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

25. Retirement benefits

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

- A. CMS Pension Scheme (a defined benefit scheme)
- B. Church of England Funded Pensions Scheme (a multi-employer defined benefit pension scheme)
- C. Church Workers Pension Fund (CWPF) Defined Benefit section (a multi-employer defined benefit pension scheme) – at the year end, we had no members in this scheme.
- D. Church Workers Pension Fund (CWPF) – Pension Builder Scheme section (a multi-employer defined benefit pension scheme) – at the year end, we had no members in this scheme.

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

	2023 Group £'000	2022 Group £'000	2023 Charity £'000	2022 Charity £'000
CMS Pension Scheme (see Note 25A below)	-	-	-	-
Multi-Employer Defined Benefit Pension Scheme – CWPF Defined Benefit section – Pension Scheme Deficit Reduction Provision (see Note 25C)	-	(1,066)	-	-
	-	(1,066)	-	-

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

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

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

Nature of the Scheme

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

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

The calculations for the FRS 102 disclosures have been carried out by running full actuarial calculations as at 31 January 2023.

Funding Policy

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

The triennial valuation of 31 March 2019 resulted in a deficit of £8.1m, and the Society and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions to be made to fund this deficit. These contributions remained due during the financial year as follows:

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



Notes to the Financial Statements

At 31 January 2023

By Church Mission Society Ireland:

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

The Charity contributed £2,517,000 to the Scheme in respect of the year to 31 January 2023 (2022: £1,108,000).

The next triennial valuation of the Scheme took place as at 31 March 2022, and this was finalised by financial year end. This triennial the position greatly improved, with the Scheme in surplus by £152k as at the triennial date. As part of that valuation, the Society and the Pension Trustee agreed that contributions totalling £2.2m would be paid into the Scheme by 31 March 2023, inclusive of the contributions already paid/due from CMS and CMS Ireland in accordance with the previous funding agreement. The other payments above cease from 1 February 2023, with the exception of administration expenses.

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

Notes to the Financial Statements

At 31 January 2023

Scheme Amendments

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

	2023 £'000	2022 £'000
Amounts recognised in the balance sheet		
Fair value of scheme assets	61,188	82,968
Present value of funded obligations	(55,436)	(81,417)
Surplus/(deficit) in scheme	5,752	1,551
Unrecognised asset – restriction of Scheme surplus (in accordance with FRS 102)	(5,752)	(1,551)
Net defined benefit (liability) recognised in the balance sheet	-	-
Amounts charged to the Statement of Financial Activities	2023 £'000	2022 £'000
Interest on scheme assets	1,862	1,138
Interest effect of asset ceiling	(35)	-
Interest cost on obligation	(1,802)	(1,226)
Net interest on net defined benefit asset or liability	25	(88)
Past service costs	-	-
Pension scheme administration expenses	(284)	(426)
Included in net income/(expenditure)	(259)	(514)
Return on scheme assets (not included in interest)	(23,230)	1,927
Experience (loss)/gain on liabilities	(1,699)	(175)
Actuarial gain on scheme obligation	26,809	5,834
Loss/(gain) from change in effect of asset ceiling	(4,166)	(1,551)
Recognised in "Actuarial (losses)/gains on defined benefit pension scheme"	(2,286)	6,035
Total amounts recognised in the SOFA	(2,286)	6,035

There are no current service costs of the Scheme included within the SOFA (2022: £nil).

	2023 £'000	2022 £'000
Changes in fair value of scheme assets		
Scheme assets at the beginning of the year	82,968	82,649
Interest on assets	1,862	1,138
Return on scheme assets (not included in interest)	(23,230)	1,927
Contributions by CMS	2,517	1,108
Contributions by CMS Ireland	28	26
Administration expenses	(284)	(426)
Benefits paid	(2,673)	(3,454)
Scheme assets at the end of the year	61,188	82,968
Actual return on scheme assets	(21,368)	3,065

Notes to the Financial Statements

At 31 January 2023

Scheme Assets

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

	2023	2022
	%	%
Diversified growth funds	-	19
Bonds	18	14
Synthetic global market exposure	20	14
Private market funds	13	11
Cash and NCA	4	2
Liability driven investments	45	40
Changes in present value of the Scheme's defined benefit obligation	2023	2022
	£'000	£'000
Obligation at the beginning of the year	81,417	89,278
Interest cost on obligation	1,802	1,226
Actuarial (gain)	(26,809)	(5,808)
Past service cost	-	-
Experience loss on liabilities	1,699	175
Contributions by scheme participants	-	-
Benefits paid	(2,673)	(3,454)
Defined benefit obligation at the end of the year	55,436	81,417

The weighted average duration of the liabilities of the Scheme was 13 years as at 31 January 2023 and 15 years at 31 January 2022.

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

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

	2023	2022
	%pa	%pa
Discount Rate at end of year	4.50	2.25
Discount Rate at start of year	2.25	1.40
Inflation – CPI	2.60	2.85
Inflation – RPI	2.60	3.55
Rate of increase in pensionable salaries	2.60	2.85
Rate of increase in pensions in respect of service:		
- pre 10 January 1994	3.65	3.70
- between 10 January 1994 and 5 April 2005	3.00	3.40
- after 5 April 2005	2.05	2.35
Rate of increase in deferred pensions in respect of service:		
- before 1 April 1994	5.00	5.00
- between 1 April 1994 and 5 April 2009	2.60	2.85
- after 5 April 2009	2.50	2.50

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

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

In addition to the CMS Pension scheme the Group has 19 active members of the Church of England Funded Pension Scheme (also known as the Clergy Scheme), which has approximately 8,000 active members. Contributions for these members of the Scheme are paid for by the Archbishops' Council on behalf of the Group, so the expense recognised in the SOFA is £nil (2022: £nil). Employer's contributions to this scheme amounting to some £190,000 are funded by the Archbishops' Council in accordance with the Pensions Measure 1997, under a grant which the national church undertook to make to meet the pension costs of clergy employed by qualifying mission agencies belonging then to the Partnership in World Mission.

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

Until all liabilities to the scheme were paid off on 30 November 2022 the Group through South American Mission Society participated in the Defined Benefit Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

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

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

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

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

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

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

Notes to the Financial Statements

At 31 January 2023

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

From 1 April 2021 a new annual deficit payment of £182,533 has been agreed and is payable until 31 March 2028 in respect of the shortfall in the Employer sub-pool.

Both payments ended on 30 November 2022 when SAMS took advantage of improved market conditions and exited CWPF with nil cost.

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

	2023 £'000	2022 £'000
Pension scheme deficit reduction provision		
Balance sheet liability at 1 February	1,066	1,504
Deficit contribution paid	-	(188)
Interest cost (recognised in SOFA)	-	7
Remaining change to the balance sheet liability (recognised in SOFA), comprising the change in agreed deficit recovery plan and the change in discount rate between year-ends	(1,066)	(257)
Balance sheet liability at 31 January	-	1,066

During the year up to 30 November 2022 (date that the Society left the CWPF scheme), the deficit contributions paid to CWPF were £152,000 plus admin expenses of £14,000.

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

Until exit on 30 November 2022 the Group through South American Mission Society also participated in the Pension Builder Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

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

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

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

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

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

The pensions costs charged to the SOFA in the year ended 31 January 2023 are contributions payable of £77,000 (2022: £85,000).

E. Defined Contribution Schemes (Group and Charity)

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

	2023 £'000	2022 £'000
Staff and Mission Partners	655	660
	655	660

26. Secured assets

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

27. Subsidiary undertakings

Charity

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

Principal Subsidiaries at 31 January 2023

a) The South American Mission Society

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

b) CMS House Enterprises Ltd

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

Notes to the Financial Statements

At 31 January 2023

Summary of results for the 12 months to 31 January

	The Charity	The South American Mission Society	CMS House Enterprises Ltd	Consolidation adjustments	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Total incoming resources	8,799	624	34	(413)	9,044	9,443
Total resources expended	(7,031)	(754)	(23)	413	(7,395)	(7,456)
(Losses) on investments	(1,594)	-	-	-	(1,594)	(1,145)
Revaluation of fixed assets	(50)	-	-	-	(50)	827
Actuarial gains/(losses) on defined benefit scheme	-	1,066	-	-	1,066	257
Other gains/(losses) on pension scheme deficit reduction provision	(2,258)	-	-	-	(2,258)	6,035
Net movement in funds	(2,134)	936	11	-	(1,187)	7,961

	The Charity	The South American Mission Society	CMS House Enterprises Ltd	Consolidation adjustments	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Total fixed assets	20,319	-	-	-	20,319	21,866
Current assets	9,997	600	24	(53)	10,568	9,929
Current liabilities	(2,673)	(73)	(24)	53	(2,717)	(1,372)
Defined benefit pension scheme asset/(liability)	-	-	-	-	-	(1,066)
Net assets/(liabilities)	27,643	527	-	-	28,170	29,357

Consolidation adjustments

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

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

Other subsidiaries at 31 January 2023

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

Name	Percentage Holding	Registered Office
Church Missionary Trust Association Ltd	100	CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ
CMS Pension Trust Ltd	100	CMS House, Watlington Road, Oxford, Oxfordshire, OX4 6BZ

28. Accounting estimates and judgements

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

Pension liabilities – CMS Pension Scheme

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

Unlisted investments

As outlined in Note 2, the unlisted investments in William Leech (Investments) Limited and Clean for Good Ltd are valued as the share of the net assets at 31 January 2023 (unaudited accounts) based on the information provided by these entities.

Cost allocation

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

Pension liabilities – multi-employer defined benefit pension schemes

FRS 102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the CWPF. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the SOFA in accordance with Section 28 of FRS 102. The Trustees are satisfied that the CWPF met the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements. As explained in Note 25, there is no longer a deficit as all liabilities to the scheme were paid off up to 30 November 2022.

29. Change in movement in net funds

	At 1 February 2022	Cash flow	At 31 January 2023
	£'000	£'000	£'000
Cash at bank and in hand	8,241	(1,131)	7,110
Cash held with investment manager	25	(13)	12
Net Cash	8,266	(1,144)	7,122

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

Reference details of the Charity and Advisers

Principal Address

Church Mission Society
Watlington Road
Cowley
Oxford OX4 6BZ

Principal Professional Advisers

Bankers

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

Auditors

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

Principal Solicitors

Anthony Collins
Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

Investment Managers

Cazenove Capital
12 Moorgate
London
EC2R 6DA





With Jesus
With each other
To the edges



Church Mission Society
Watlington Road,
Oxford, OX4 6BZ

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

Connect with us on



Church Mission Society is a mission community acknowledged by the Church of England, Registered Company No. 6985330 and Registered Charity No. 1131655 (England and Wales) and SC047163 (Scotland). Also part of CMS: The South American Mission Society, Registered Company No. 65048 and Registered Charity No. 221328 (England and Wales); The Church Mission Society Trust, Registered Charity No. 1131655-1 (previously 220297). Registered and principal offices of all above entities: Watlington Road, Oxford, OX4 6BZ.