

**Church Army (The)
Reports and Financial Statements
Year Ended 31 March 2023**

Charity registration numbers:
England & Wales: 226226
Scotland: SC040457
Republic of Ireland: 20152604

Company registration number: 00037169

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2023**

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Patron	Formerly the late HM Queen Elizabeth II (Awaiting contact from Royal Household re future)
President	The Rt Rev & Rt Hon Lord Williams of Oystermouth
Vice Presidents	The Rt Rev Bruce Cameron The Most Rev Dr Richard Clarke The Most Revd John Davies The Rt Rev Lord Eames of Armagh (resigned 23 July 2023) The Rt Rev Dr Alan Harper OBE The Most Rev Dr Michael Jackson Dr Bill Lattimer The Most Rev Barry Morgan Pam Rhodes The Most Rev & Rt Hon John Sentamu June Simpson The Most Revd Mark Strange Roy Totten The Rt Rev Michael Turnbull The Most Rev & Rt Hon Justin Welby
Trustees and Board	Chair: The Most Rev & Rt Hon Stephen Cottrell (resigned 28 November 2022 as Trustee and Chair) Chair: The Rt Rev Guli Francis-Dehqani (was Vice Chair, appointed Chair 28 November 2022) Honorary Treasurer: John Whitfield The Rt Rev Alan Abernethy Trevor Douglas (resigned 23 August 2022) Ravi Gidoomal (appointed 18 January 2023) The Rt Rev Dr Robert Gillies (resigned 28 November 2022) Sister Kathy Green CA (resigned 2 March 2023) The Rt Rev Lusa Nsenga-Ngoy (resigned 4 August 2022) Dr Sol Osagie (appointed 18 January 2023) The Rt Revd Joanna Penberthy (resigned 3 August 2023) The Ven Dr Peter Rouch Patricia Russell (appointed 18 January 2023) Rosie Slater-Carr (appointed 7 October 2022) Sister Karen Webb CA (resigned 28 November 2022, re-appointed 18 January 2023) Captain Andrew Payne CA Rev Karen West (appointed 18 Jan 2023)
Chief Executive	The Ven Dr Peter Rouch
Company Secretary	Robin Webb
Senior Leadership Team	The Ven Dr Peter Rouch Chief Executive The Rev Jude Davis Director of Community and Vocations Dan Lane Director of Fundraising & Communications (appointed 15 May 2023) Dr Timothy Ling Director of Organisational Development Faye Popham Associate Director of Organisational Development Robin Webb Director of Finance & Services Captain Neville Willerton CA Director of Mission Operations

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Registered office	Wilson Carlile Centre 50 Cavendish Street Sheffield S3 7RZ Telephone 0300 123 2113 Email: info@churcharmy.org
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
Solicitors	Cooper Burnett LLP Napier House 14-16 Mount Ephraim Road Tunbridge Wells TN1 1EE Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
Bankers	Barclays Bank PLC Leicester LE87 2BB Unity Trust Bank PLC Four Brindleyplace Birmingham B1 2JB
Actuaries	First Actuarial PLC Mayesbrook House Lawswood Business Park Leeds LS16 6QY
Investment Managers	Ruffer LLP 80 Victoria Street London SW1E 5JL CCLA Investment Managers Limited 1 Angel Lane London EC4R 3AB
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Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2023

Introduction

Someone of broad vision who knows Church Army's work well recently said to me, "The country's on fire! People are desperate. Church Army is needed now more than ever." The needs we encounter have indeed intensified in the last year. As I reflect on that year, I find myself both celebrating positive growth and important outcomes, and also noting the broad-based cost to people and resource budgets of remaining engaged in so much challenging work. If you live and serve close to the fire, at times you might get singed, I suppose.

Church Army is a Christian mission organisation irrevocably committed to the idea that our actions and our words belong together. The way in which we serve and what we say about our service and the lives we lead, should express the same thing - God's unconditional welcome, and invitation to faith to all people. Our mission is constituted by actions that express in tangible ways the words that we speak. The words of our evangelism are meaningless and inappropriate without the actions that demonstrate their meaning.

As the financial year commenced, the Board of Church Army made a commitment to ongoing developments in our strategic direction. These are designed to ensure that we sustain areas of success, focus additional attention in areas deflected by the demands of pandemic life, offer direction to areas omitted from our earlier strategy, and respond positively to changes in our wider environment. We named this refreshing of our strategy 'Resetting the Compass' and the Compass priorities include:

Centres of Mission - to ensure that growth is pursued on a fully sustainable basis, and that we use our research expertise to grow understanding of the factors that promote effective outcomes.

Key Projects - to develop a clear "theory of change" in each project to guide our work, provide meaningful measures of outcomes, and inform supporters. Additionally, to explore the potential of wider public comment on areas of concern, and also what might be offered by individual project patronage.

Fundraising - to address with energy the need to develop the scale of our supporter base and the benefit derived from a more balanced portfolio of income streams, and so deliver a step-change in fundraising performance.

These are not the sum total of our strategic objectives, but they are crucial elements intended to ensure that we deliver what our strategy is intended to achieve.

Perhaps the most widely known dimension of our work amongst churches in the UK & Ireland is our Centres of Mission. Located within some of the most challenging environments, pairs of CA Evangelists are engaged in practical service to empower local people to address life's challenges. This quite naturally goes hand in hand with our work to build self-esteem and enable people to respond to the Christian faith. I say "naturally" because that is how it works. It is natural for people to ask why CA people have chosen to invest their lives in practical service in the kind of context that many others seek to escape. It is natural also because for this work to have integrity, CA Evangelists have to be themselves, and they are people of Christian faith. This faith dimension is never, ever a condition of the support Church Army offers, but it should never be hidden. Those who are supported by us have a right to understand our motivations so that they can be empowered to make their own life choices. This integrity is important to us, but it is also one of the ways we live out our value commitment to unconditionality in our service.

In the last year we have seen several new Centres of Mission come to life, while others have ended their terms. The net result has been a small growth which is in any case eclipsed by the ongoing catalogue of individuals and communities receiving direct material support and experiencing transformation through the work of our Evangelists. Looking forwards, even whilst we continue to manage the growth of our work with a careful eye to sustainability, plans are developing for further expansion fully supported by new funding streams.

Our Key Projects, Amber, Ruby, Ty Bronna, Waterways Chaplaincy and Marylebone span a range of social needs. They have continued to deliver strong outcomes, but done so in a most challenging environment. Taking Marylebone as an example, we continue to exceed our targets for women experiencing homelessness who are empowered to move through our work into sustainable independent living in their own homes. This year Marylebone achieved the Homeless Link, Excellence in Homelessness award. Yet this was a year in

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which the combined pressures of general inflation and higher staff costs driven by shortages in the labour market, coupled with an extremely challenging environment for fundraising, pushed Marylebone to a significant financial deficit. Other organisations working in the sector have faced the same pressures. Some have had no option but to cut frontline services even as need increases, others have faced the almost unheard of event of staff strikes. At Marylebone our staff surveys indicate that staff satisfaction remains high, and the project has been supported through severe challenge by the strong covenant of Church Army. Nevertheless, challenge continues at acute levels and is requiring active management to minimise risks to our valuable work.

There is growing demand for the resources and expertise of Church Army in training people to engage in "Church Army style" Christian mission, which I have described above. Our Envoy programme continues to receive levels of interest and applications beyond our capacity to accommodate, and beyond the UK & Ireland, the programme has continued its overseas expansion most especially in Germany. Faith Suite, which equips individuals, local churches and wider denominational units like dioceses for Christian mission is also growing. Once again this is within the UK & Ireland with a significant growth of our work with the Church of Ireland, but noticeably beyond these islands as well. The expansion of this programme into New Zealand evidences both how we are able to collaborate creatively with charities in the Church Army network overseas, and also to use our experience, hard-won during the pandemic, to extend our training offering at distance. These developments offer a glimpse of the potential for growth already existing within the diverse portfolio of Church Army's work.

Yet, we are in the most challenging circumstances that the UK charitable sector has faced for many years. Donated income to charitable work has fallen dramatically as the wider public has faced into pressures on incomes and the rising trends of business closure and consolidation. The contraction of frontline charitable work is a direct consequence of this.

Church Army has not contracted its frontline work and has no intention of doing so, indeed we continue to work hard at ways to grow our work. Nevertheless, the impact of adverse operating conditions is plain to see in this year's accounts. It is important for me to comment on the ways in which we are working to address the annual deficit. This is in three ways:

1. Measures are already in hand that will deliver a 10% reduction in our operating costs. This is not without impact, and there is work that we cannot do or will need to schedule differently in order to achieve this. Importantly however, none of this will be delivered by reducing our existing investment in frontline work.
2. The growth and diversification of fundraising income has been an integral aspect of Church Army's strategy, but one that has not received either the attention or investment that it needs. This is now being rectified. It will take time, but the necessary elements for success are being put in place.
3. A significant part of the reserves of Church Army are tied up in operational assets, in land and buildings directly used in our work. We are engaged in reviewing all of our larger assets to ensure that we are using the funds we have invested in this way to drive maximum benefit for the beneficiaries of Church Army's work.

It is both usual and important that I offer thanks from Church Army for all those who support what we do with their time, energies, prayers and funding. Without you, nothing! I also want to thank the staff of Church Army, including my senior colleagues, who work tirelessly in our mission, and those who serve as trustees. Those with a keen eye will note a significant change in the composition of our Board of Trustees. This is the result of a focused programme of refreshment, drawing into the oversight and guidance of Church Army, those who bring the skills and understanding needed for the next chapter of our life. Our trustees now hold portfolios to which they have been recruited, and are one of the most diverse and engaged boards you will find anywhere in the UK & Ireland charitable world. It is a joy to serve with you all.

Church Army exists to enable transformation in lives and communities, most especially those who are pushed to the margins of life. Those who engage in transformation must be continually transformed themselves, and I am pleased to witness to the signs of that within Church Army, which it remains an honour to lead with my senior colleagues.

Peter Rouch
CEO

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2023

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the Annual Report and Financial Statements of the charity.

The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland published in October 2019.

Who is Church Army?

Church Army is a mission-focused community of people who are transforming lives and neighbourhoods through the work of evangelists, staff and supporters. We are committed to sharing the Christian faith through words and action in a variety of contexts across the British Isles and Ireland. Our evangelists and staff work beyond church buildings among some of the most broken, rejected and hurting people in society. We are also committed to building new forms of Christian community to reach people who have little or no experience of church. Much of our frontline work is carried out through our centres of mission. A centre of mission is a community of evangelists working together to enable evangelism and mission across a host diocese. They have four key strands to them:

- Centres of mission seek to implement the Church Army strategy across the UK and Ireland.
- They are in strategic partnership with the host diocese.
- They develop fresh expressions of church for the unchurched.
- They resource and equip the church for evangelism.

We also carry out other frontline activities including Envoy, the Marylebone Project, Cardiff Residential Services, the Amber Project and Ruby, all in fulfilment of our charitable objectives.

Our work includes:

- preventing homelessness and caring for those who have been homeless
- supporting women caught up in prostitution
- building community on housing estates
- helping people trapped in debt
- working with young people who are experiencing self-harm
- night-time street ministry
- chaplaincy
- local church ministry
- children and young people's ministry including school outreach
- working with people with drug and alcohol addictions
- bus projects to reach people where they live
- older people's ministry
- family breakdown prevention

Other key work includes:

- researching into evangelistic initiatives
- church planting and fresh expressions
- providing evangelism training and resources for the wider church

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Our mission:

To enable people to come to a living faith in Jesus Christ and relieving poverty and distress.

Our vision:

For everyone everywhere to encounter God's love and be empowered to transform their communities through faith shared in words and action.

Our values:

Generous: God is generous, and we want to model that generosity to others.

Risk-taking: We have a long heritage as a pioneering movement, prepared to take risks and give colleagues permission to succeed or fail as they seek to do new things.

Accountable: We are accountable to God and others, living reliably and responsibly to high professional standards.

Collaborative: We are committed to partnership with those who share our values; we believe it enhances our work.

Expectant: We are hopeful, expecting God to do new things amongst us.

Unconditional: God loves everyone, and everyone is significant in His eyes; we will serve anyone regardless of their age, gender, race, sexuality, faith, ability, status or circumstances.

Prayerful: Listening to God, being obedient to God; we want to be like Jesus in our life and witness.

Objectives and activities including achievements and performance

Our DARE strategy: doing, advocating, resourcing and enabling evangelism

The following sections of this Annual Report will look at each of the four DARE objectives and how we are fulfilling them.

Objective 1:

Doing Evangelism

Centres of Mission

Across 2022/23, there were 32 active Centres of Mission (CoM). Quantitative data was collected at two time-points over the course of the year - 19 CoM provided usable data at both collection points, 10 provided usable data at just one collection point, while 3 CoM were unable to provide data this financial year.

Headlines

Activity

- CoM have been involved in around 21,500 hours of organised activity during this period.
- This is 2,130 hours for every month active.
- The average CoM has been involved in approximately 72 hours of organised activity every month.
- Approximately 40% (13 out of 32) of all CoM provide assemblies in local schools. Assemblies provided by CoM have been attended by over 6,000 children, which means that over 15% of the people who interact with our centres of mission are attenders at school assemblies.
- There will undoubtedly be other less organised activity that was not captured (e.g. pastoral and crisis support etc.)
- CoM have interacted with over 41,000 people through organised activity over the course of the financial year.
- The 'average' CoM has interacted with about 1,000 people (although this ranges from 139 to 3,672 people).
- 55% of those interacted with were children (under 18 years old).

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Activity by type

Evangelists are asked to categorise activities into 'social impact', 'faith development' or 'advocating and resourcing evangelism' activities. The table below summarises the key statistics for all activities of each type combined:

Activity type	Hours activity	Monthly hours activity	People interacted with	% Children	% Adults
Social impact activities*	13,680	1,263	15,200	53%	47%
Faith development activities	6,460	692	19,450	71%	29%
Advocating, resourcing & enabling evangelism	1,400	175	6,800	20%	80%

*Note that many (perhaps most) CoM activities fulfil both 'social impact' and 'faith impact' functions, and that 'social impact' is the first option that evangelists are presented with when they are completing their returns.

Provision

- Most CoM are involved with food provision in some form and in total they have provided/distributed over 24,600 meals or boxes of food.
- CoM are also involved with providing other essential items such as school uniform, household appliances, haircuts and hygiene packs. In total they have provided/distributed over 3,000 items.

Signs of Faith

More 'formal' signs of faith:

- CoM were involved in the baptisms of 55 children or adults.
- CoM were involved in 78 infant baptisms or thanksgivings.
- CoM were involved with 34 people going forward for confirmation.

Funerals

- 41% of responding CoM said that they had been involved in assisting with a funeral - demonstrating a huge level of trust and valuing of the CoM by family and community. In total they have assisted with 44 funerals.

Exploring and growing:

- CoM report that approximately 580 people are exploring faith with them.
- CoM report that approximately 630 people are growing in their faith with them.

Faith commitments:

- CoM reported that they had seen approximately 80 people make faith commitments for the first time.
- CoM also reported that they had seen approximately 45 people rediscover their faith or make a faith recommitment.

Social media videos

- 38% of CoM posted videos online that offered short devotional thoughts, reflections or similar. In total, these videos received over 27,000 views.

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Volunteering

- There were 572 volunteers in total across all CoM
- The number of volunteers in a CoM ranges from 0 to 75 - the average is 16
- The Christian/Church-background of volunteers is:

Background	% of volunteers
Regular church-goer	57%
Occasional church-goer	11%
Historical church-goer	8%
Never church-goer	24%

- This means that 43% of volunteers are not regular church-goers

The Dundee centre of Mission is led by Kerry Dixon and works in partnership with Diocese of Brechin, Signpost international and St Luke's Downfield. Dundee is Scotland's fourth largest city and has some of the highest rates of unemployment and drug-related deaths in the UK. In the Centre of Mission there is a focus on addiction recovery and helping people who are struggling with mental health problems. The Centre of Mission operates a recovery support group called Pirate Monks, and there are groups for men and another group for women. The groups meet weekly, have a meal, go through the 12 Steps (as used by Alcoholics Anonymous) and pray for one another. Gavin is a regular attendee to Pirate Monks having struggled with mental health problems for 25 years. Gavin says 'Pirate Monks has helped me immensely in my faith journey and my mental health; giving me the confidence to become a mentor to others....it has helped me to understand that I am not alone - it is so welcoming...No matter what your background or where you are, you can come and be accepted....Church Army being in Dundee has had such a positive impact on me. Christ wants to help people in this area and CA is helping that to happen'. Gavin has grown and flourished as a result of coming to Pirate Monks and has now become a mentor for others who suffer from problems similar to himself.

Missional Youth Church Network (MYCN):

MYCN is a partnership set up by Church Army and the Archbishop of York's Office. MYCN also works with Fresh Expressions UK, Dioceses, Diocesan Youth advisors/missioners and Growing Faith Foundation. It's through partnerships, that they are able to create and sustain the development of new missional youth churches.

A Church Army review of the work of the Missional Youth Church Network (MYCN) has shown it is making good progress towards its target of establishing 30 missional youth churches in 5 years. The Missional Youth Churches enable 11-18 year olds to build community and discover faith in Christ, and each is particular to their own context.

MYCN now has contact with more than 100 leaders across the country with an interest in the principles of building church with young people where they are. And since the Learning Community for youth leaders, clergy, pioneers and school leaders, began online in 2020, 25 MYCs have begun developing and growing.

The Church Army Review has discovered that leaders have grown the most in their confidence and capability in building community with young people, sharing faith with them, and in discipleship with young people. One youth worker said:

"I've found it helpful to hear stories and methods of how to move unchurched young people from relationships and drop-ins into small groups where they explore faith."

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Positive discussions are taking place for the next phase of growth across the whole country. The Church Army review of MYCN concludes that there is considerable potential for MYCN to contribute to the delivery of the Church of England's 'Vision and Strategy for the 2020s' and to help more dioceses establish Missional Youth Churches.

Jenny Colby is an experienced CA Evangelist, having been active within the CA family for almost 50 years. She is now retired but continues to serve God in many activities using her many years of experience to benefit others. Despite being retired, Jenny is very much still involved with Church Army and feels it is deeply rooted in her heart. Jenny is passionate about growing the congregation at the family service of her local church St. Mary's where she is working hard with leaders there to help this happen. Jenny is also keenly involved with the under-five's group at her local parish church where she is using her experience as a CA evangelist to help the group flourish and continue. Jenny is a vocal advocate for Church Army and remains steadfast in her encouragement for others to become involved with CA by using her vast experience as a CA Evangelist.

Centres of Mission

Despite all the challenges of the past 12 months we have still managed to launch a new Centre of Mission in the 2022/2023 financial year. Kildare Centre of Mission was launched as our centre of mission in the diocese of Meath and Kildare. This centre of mission is led by Philip McKinley, with pioneer evangelist Kelly Bermingham joining the Centre of Mission.

One of the objectives of the Centre of Mission is to deliver of a range of community outreach initiatives, programmes and Pioneer Contextually appropriate Fresh Expressions of Church for all ages that enables people's faith journey.

In launching new centres of mission, we appoint a Lead Evangelist, later appointing a Pioneer Evangelist with unique skills to work with the Lead Evangelist to identify and address the needs of the area.

Where are we doing evangelism Activities in England, Ireland, Scotland and Wales

- We have 218 Commissioned Evangelists of working age in the UK and Ireland (not all of these are employed by Church Army).
- In England we have 176 commissioned Evangelists and 14 Centres of Mission in Attercliffe and Darnall (Sheffield), Gloucester, Langley, Scunthorpe, Sheffield, Bradford (Sorted), Leeds, Rochdale, Selby, Suffolk, Greenwich, Medway, Southampton and North Sutton.
- In Wales we have 10 commissioned evangelists and 7 Centres of Mission in Cross Hands, Haverfordwest, Llandaff, Llanelli, Gwent Valley, North Coast of Wales and Wrexham.
- In Scotland we have 5 commissioned evangelists and 4 Centres of Mission in Argyll & The Isles, Central Fife, Dundee and the Edinburgh (A7 Centres of Mission).
- In Ireland we have 27 commissioned evangelists; 19 in Northern Ireland and eight in the Republic of Ireland. We have six Centres of Mission in Ireland in North Belfast, Ballina, Sligo (was Drumcliffe), Cork, Newry and Kildare. North Belfast partners with the charities Baby Basics and Transforming Lives for Good. Church Army is also registered with the Charities Regulator Authority in the Republic of Ireland.
- In addition to the evangelists recorded above, one Church Army evangelist works within the Diocese of Europe and 177 are retired from stipendiary ministry, although many are still active in their local churches and communities.
- In addition to our Commissioned Evangelists we have 173 staff appointed to evangelist posts in centres of mission and projects and the national office.

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Church Army has long and often been involved in prison work, with CA Evangelists serving as chaplains in a number of UK prisons. Commissioned Church Army Evangelists can use their training in many fields and forms of ministry beyond roles within Church Army but where their training and evangelistic gifts are desirable and prison chaplaincy is one of these roles. CA Evangelist Gill Martin is a chaplain at HMP Eastwood Park in South Gloucestershire. The service that she and her fellow chaplains provide is an essential part of helping prisoners move beyond their past mistakes and toward a brighter future. It is a vital service that provides much-needed support to both prisoners and prison staff. It has been shown to reduce reoffending rates and improve prisoner health and wellbeing. For many prisoners, the relationship they develop with their chaplain is one of the most positive relationships they will have while in prison.

Gill says 'I have been at this prison for almost three years now...When I was training, I did a placement at Holloway Prison and I loved it. When I began trying to pursue this calling I couldn't find the right thing....Later, when the role of being a prison chaplain came out of the blue, I knew I was being led by God.

Whilst prisons are full of people, they are often lonely places and those feelings of loneliness become magnified when a prisoner doesn't have anyone to visit them. As prison chaplains that is one of the things we can help with as there is a volunteer visitor scheme.

We arrange volunteer visitors, answer requests for spiritual support; this can be anything from lighting candles for anniversaries and birthdays, to providing prayer for difficult situations or pastoral support for prisoners with ill relatives or suffering a bereavement. COVID was a difficult time, visitations, group meetings and fellowship stopped. To keep contact with the prisoners we wrote weekly reflections and delivered them to cells. We reached people who wouldn't normally visit the chapel but looked forward to receiving their reflection.

It's a very privileged position to be in. Some of the prisoners have suffered abuse and are really broken. Our constant message is that we can't change what happened, but we can walk with them, and support them through the next steps. Every day I am reminded that it could be any one of us in that prison and I feel blessed to be able to share with these prisoners that God loves us and loves each of us equally. There is nothing we can do to spoil his plan because he is more powerful than us. I have seen and felt God work in my life and I am not the only person whose life He can work in. I want to share that message with others who feel they are beyond God's love because no one is. God won't forget about them.'

Marylebone Project

This past year saw a return to a more normal pattern of work in supporting our residents and service users, following the latest Government guidance on encouraging that we all need to live with COVID-19 and return to a more normal way of life.

We did not lose sight of the need to continue to focus on the safety of all; staff, residents and service users; and have kept as many of the safety measures in place as possible as these proved to be effective in keeping everyone safe during Covid. We also did not lose sight of the fact that many of our women suffer generally from vulnerable health of illnesses, ill health and life-threatening issues due to their lifestyles and activities so keeping these safety measures in place safeguards all our women in the longer term.

We also became aware of the growing need from our residents and service users to provide them with the full range of support of face-to-face contact, group activities, wider support activities, and progression to move on and independent living. This is especially important for those women who have reached a crisis point in their life due to experiencing domestic abuse, mental health issues and/or substance abuse issues etc.

Our Social Enterprise has rebuilt its client base and worked to achieving the specific business targets set for the work of Space and Munch. One of these targets was to have at least one space room booking per week and this has been achieved for every week of the year, with many weeks exceeding this target with all rooms being booked for whole weeks. This has resulted in an associated increase in revenue for the Social Enterprise.

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The Sanctuary

This continues to provide a 24/7 service for women in crisis and continues to see an overall changing clientele with some women moving on into independence and new women accessing the support. Due to this ever-changing picture of women accessing the Sanctuary and the needs they present, we continue to conduct regular reviews, ensuring that the service provided meets the needs of this specific rough sleeping group and we monitor the use of the Sanctuary space so that it continues to be the best service that it can be for the women it serves.

The Resettlement Team continue to support all women who have moved into independent living for a period of three months and then the women can contact the Project for any further support they may need. We are pleased to report that there remains a 100% success of women who have moved out maintaining their tenancy and accommodation and this is the sixth consecutive year that we've been able to report a 100% success in this service. This is testament to the compassion and commitment of the Resettlement Workers who have taken on this element of support work and is due to the consistency of support and the reassurance that there is someone available to help the women in times of further need or crisis.

We continue to work in partnership with Westminster Council in providing residential support to 25 women with complex needs and we have increased our partnership working with various health professionals to provide specialist health support to this cohort of women. The complexity of the needs of the women requires an intense support provision and occasions of exhaustive non-stop interaction with the women. We are aware that this can take its toll on front line support staff so we have set up a staff breakout and relaxation room where staff can spend time away from the intensity of situations and have some space and peace. This room has comfortable furniture and a variety of equipment and resources to help alleviate stress and restore calm.

We also provide 5 bed spaces for women with no recourse to public funds (NRPF) and these bed spaces are funded by Westminster Council. These 5 NRPF bed spaces are part of a five-year funding programme within the Westminster Council Rough Sleeping Initiative. Westminster Council also spot purchase additional NRPF bed spaces and health needs bed spaces as needed by women who present to the Council.

These continued service level agreements have ensured that our partnership with Westminster Council continues and that we remain a valuable service for homeless women in Westminster.

Every year we set ourselves a challenge to support as many women as possible into moving into independent living and this year we resettled 68 women into independent accommodation, beating our newly set target of 50 women and more than double the 36 women resettled in the previous year. The lower figure in the previous year was caused by the availability of properties from the local authority and Housing Associations and movement restrictions related to the pandemic.

This successful move on was helped by a Rent Deposit Scheme and Home Starter Pack Scheme, which is funded by Westminster Almshouses. Moving home can be stressful, complicated, and expensive - even more so if you've recently experienced homelessness. The Starter Pack initiative is designed to help make the transition from homelessness to more settled accommodation easier; recognising that after a period of homelessness, service users have lost many if not all their material possessions. This funding has enabled us to run a scheme where service users can move into more settled accommodation in the private rented sector and make a new start and we are working towards engaging more women to take the private rented sector route as their move-on option.

One of the biggest challenges we have faced this year has been recruitment and retention of staff. We have had numerous front-line staff leave and have struggled to recruit to fill these positions. Whilst it has been acknowledged that staff retention and recruitment within the wider health and social care sector has been difficult, it resulted in us needing to use a greater number of agency workers, which come at an increased cost. Great efforts have been made over the year, to reduce our use and dependency on agency workers and to recruit permanent staff and I am pleased to say that, towards the end of this reporting period (March 2023), a number of permanent staff have been recruited and plans are in place for all vacancies to be recruited to in the coming year.

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Two specific resignations in January 2023; the General Manager and the Housekeeping and Maintenance Team Leader; provided the opportunity for an external management review being commissioned to identify what management structure is required for the future. As part of this management review, we have been able to appoint a permanent Operations Manager and a Services Manager who form part of the Senior Leadership Team and who will help lead the Project into the future. At the time of writing we are advertising for an Executive Manager to lead the project going forward.

We were also successful in recruiting a Marketing Co-Ordinator with responsibility for helping to raise the profile of the Project, promote our work, increase our supporter/donor database and develop our use of all social media platforms to celebrate all that we do.

With the help of our Volunteer Co-Ordinator, we have increased our partnerships with corporate volunteers and many more groups have visited the Project to help with redecoration, upgrading décor and donating to the women. These visits are helping us give the Project a fresh feel and includes office spaces, women's living spaces and communal areas.

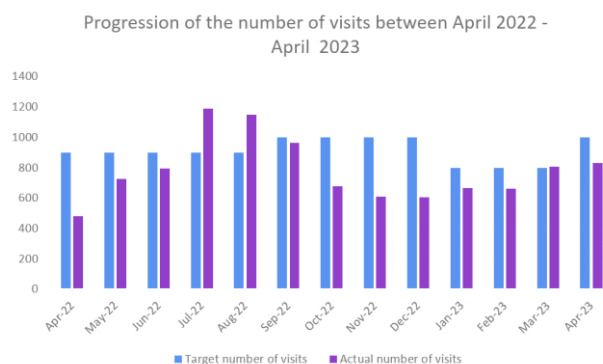
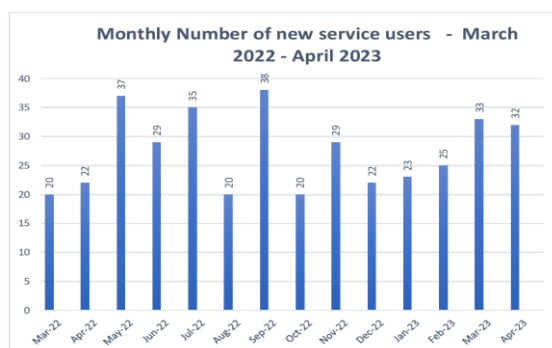
Despite the challenges and changes that we have experienced this year, the remaining permanent staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

No matter how big or how small, all achievements have an impact on the lives of the women we serve so all are valued in the wider work that we do and are helping us to shape the future.

Reach and Impact

Overall during the year the Marylebone Project provided:

- 39,000 nights of accommodation offering shelter, hope, safety and support to women who would otherwise have remained on the streets or in situations detrimental to their well-being
- 25 beds to women with complex needs
- support to 535 women who visited the Sanctuary Centre, 353 of whom were first-time visitors
- 5,000 individual activity sessions in 50 different areas/subjects
- 134 women enrolled on educational courses
- 12 women secured employment
- supported 41 women in engaging in volunteering
- supported 57 women in engaging with accredited courses



Although we have been able to make great developments and achievements challenges still remain within securing long term staff and staff retention and financial sustainability. Despite the challenges and changes, the staff team continue to be committed in offering their skills and specialist support to address the variety of challenges and demands so that the women's lives can be transformed.

Please continue to journey with us so that we can continue to provide safety for our women and develop our services to make more positive changes and transform more women's lives.

Semhar's story*

Semhar was recommended to the Marylebone Project by a friend. She was residing in a night shelter at the time but needed a safe space to spend her days. Furthermore, the night shelter was due to close soon, and she was anxious and worried about the future. Semhar started coming to the Sanctuary, sometimes covering the distance between the night shelter and the Project on foot, which could take nearly 2 hours.

Semhar's Support Worker encouraged her to join the classes and activities in the Project. Semhar was unemployed and not taking part in any education and training at the time but was keen to develop her knowledge and skills. She joined the sewing beginners' group as she wanted to learn how to use the sewing machine. She had prior experience of doing hand stitching but wanted to refresh her skills. Not only has Semhar learnt some new skills but she has also combated social isolation by meeting a new group of women who she now attends other activities with.

Attending the sewing class has, not only resulted in Semhar learning new skills, but this has also been great for Semhar's confidence building and helped her to reduce social isolation. Semhar has met a new group of women and the experience has inspired her to participate in other classes. Semhar is now attending our internal ICT Beginners course and is learning to type on the computer for the very first time.

Semhar is now accommodated in one of the residential beds within the Project and is looking forward to engaging with other classes and activities to help build her skills for employment and independent living.

***name changed to protect identity**

Financial Sustainability for the Sanctuary

Having invested in refurbishing the drop-in centre to create and launch the Sanctuary 24-7 in November 2021 we were delighted to receive a grant of £473k from Barclays via the London Evening Standard / London Community Foundation to fund the first year's operating costs. This grant funded the Sanctuary to May 2022. Growing our fundraised income to cover the increased costs of running the Marylebone Project including the Sanctuary has been an immense challenge during the last year, with high inflation creating a cost of living crisis that made fundraising even more difficult. This led to a significant deficit for the year at the Marylebone Project which Church Army has funded and continues to provide ongoing support while we work to make the project financially sustainable.

For more information or to make a donation please visit <https://www.maryleboneproject.org.uk>

Church Army Ty Bronna

Ty Bronna provides residential support to 13 homeless young people aged 16 - 21 years old. The provision includes:

- Emergency bed - offering short term emergency respite support across the partnership.
- Church Army Visiting Support (CAVS) - to 6 young people living in short-term self-contained flats in Cardiff that are owned and managed by Salvation Army. Support is usually provided for a six-month period.
- Training Tenancy support (TT) - to young people who have moved on from CAVS flats and/or residential projects within the partnership. Support is provided for 12 months after which the young person can be confirmed in their long-term tenancy
- All young people are allocated a designated Personal Development Support Worker who provides them with the one-to-one support they need.
- All young people in CAVS and TT are allocated a Visiting Support Worker who provides them with the one-to-one tenancy management support they need.
- All support is provided in a person-centred support, client focussed , needs led and psychologically informed way.
- The support is delivered via a variety of formal weekly support sessions, informal ad hoc support, accompanying young people to appointments and providing advocacy, practical life skills support, education, training, and employment sessions.
- This support benefits the young people in building their self-esteem, self-confidence, feelings of self-worth and the opportunity to heal from the trauma that they have experienced from their adverse childhood experiences.

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- This further helps the young people put in place coping mechanisms to help them deal with crises when they are on their own, reducing the risk of tenancies failing, mental health breaking down and then entering the cycle of support services again.
- We deliver in house activities to the young people via a structured programme, some work and education related, some creative and therapeutic related and some health and wellbeing related.
- We currently work in partnership with a number of services to best support the young people and these include; Young Person Gateway, Social Services Social Workers and Personal Assistants, Youth Offending Service, Miles Project, Mental Health Support Services, Into Work.

The project's mission is:

Hospitality - Providing hospitality to all young people referred to our service.

Empowerment - Equipping all young people to make informed choices and take control of their lives and work in partnership to achieve their goals.

Accepting - all young people for who and what they are in a non-judgemental and anti-discriminatory environment.

Resettlement - Facilitating and encouraging young people to move on to independent living and enter education, training and/or employment.

It's aims as a Supported Housing service, are to:

- Prevent homelessness wherever possible by working in partnership with the local authority.
- Ensure sufficient accommodation of a good standard is available for young people who are, or may become, homeless.
- Ensure the provision of appropriate support for homeless young people in developing the skills required for them to move on and live successfully in independent living and to access the more specialist support to assist them with their specific needs, in addition to supporting the young people in entering education, training and employment.

During the year key achievements at Church Army Ty Bronna included:

- 4,713 nights of accommodation provided to homeless young people.
- 36 young people have received support and accommodation.
- 32 new referrals received for accommodation and support.
- 26 young people offered accommodation and support.
- 23 young people accepted the offer and moved in.
- 8 young people accessed the emergency bed for a total of 51 nights.
- 11 young people supported in their own homes of independent living in the visiting support scheme.
- 17 young people supported in their own homes of independent living in the training tenancy scheme.
- 6 new young people moved into the visiting support scheme.
- 6 new young people moved into the training tenancy scheme.
- 1 young person reached the 12-month point in the training tenancy and has been confirmed in their long-term tenancy.

Ty Bronna continued to support young people into education, training and employment (ETE) and reached an 80% engagement target this year.

During the year Ty Bronna celebrated its 20th anniversary and staff engaged young people to create the invitations for the day, special decorations, and young people helped create a collage of Ty Bronna. A walk-around timeline was then created for all our supporters and outside agencies to become more informed as to Church Army's beginnings back in 1882. In order for guests to access the timeline they firstly had to walk through the "Ty Bronna's Butterfly Room."

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There were 885 butterflies created altogether by young people, staff, and volunteers and perhaps most specially by the young people in a centre of mission in St. David's, Pembrokeshire. Each butterfly represented one young person who has passed through Ty Bronna since its opening in 2002. Previous to the day itself Ty Bronna connected with Cardiff Scan Club who came and supported Ty Bronna to retrieve time-capsules planted back in 2002. It was remarkable in that everything stored in the capsule was kept in mint-condition for all this time and below is what was discovered in the capsule. We also purchased new time-capsules which were to be planted for the next 20 years. Young people came up with a range of items which were important to them and what they wanted the future generations of young people at Ty Bronna to be aware of in 20 years' time. Peter Rouch (Church Army, CEO) buried the new time capsule and Neville Willerton (Church Army, Director of Mission Operations) planted a magnolia tree in the garden.

Cali's story*

Cali had undiagnosed learning difficulties, due to not being encouraged to attend school by her parents, where she could have been provided with a Statement of Education Need (SEN) for her future. Consequently, this went on to affect all aspects of Cali's life, as family around her could not cope with her low cognitive function and services became unaware of Cali after she legally left school.

Cali became unhappy at home and a friend's mother supported Cali to present as homeless where she was referred into Ty Bronna. Whilst living at Ty Bronna, it was quickly observed by staff that Cali had no money management skills and was possibly being financially exploited by her own family.

A local trust fund organisation was sourced to support Cali to ensure she had rights over her own money and could manage this safely. This permitted Cali to have her Universal Credit and Personal Independence Payment paid into her bank account each week in small instalments by the trust, to reduce the possible temptation and exploitation from her family of accessing her money.

Cali had no self-care or living skills and so staff worked very slowly with Cali to take the time she needed to learn why looking after herself and her home were important.

The service then referred Cali into local dogs' charity as Cali had a passion for dogs and wanted to help them. Cali is now an established and trusted member of the volunteer team and enjoys the hours she donates each week with the dogs. Cali said that at home the only thing to understand her was her dog, Kim. So, this was why she wanted to help other dogs as she could no longer see Kim anymore at the family home.

When Cali took control over her finances, her family withdrew any form of contact with her. The service understood that Cali needed more time to adjust to independent living and so has lived with the service for almost 2 years. Cali has grown in confidence during this time and Ty Bronna is now preparing Cali to live in one of its Church Army's training flats.

Cali always said her family didn't think she would have anything in life as she wasn't clever enough. Additionally, living at Ty Bronna was the first time in Cali's life where she had access to her own money, chose what shopping she could buy and what clothes to wear and how she spent her time. However, with a bit of patience and encouragement, Cali has proven herself to be just as deserving and capable as any other young person who walked through Ty Bronna's door.

Cali's Church Army Visiting Support Worker is aware of Cali and her vulnerabilities so will be providing Cali with additional support in the community, for Cali to achieve what she is capable of.

***name changed to protect identity**

An ex-resident called Chris, who lived with Church Army Cardiff Services over 20 years ago, spoke of his time at the project and how Church Army had helped him. Chris spoke of a CD which had been recorded by young people at the project, which had music and poems on and which supported young people process their emotions. This CD was discovered in the time-capsule and became a very meaningful and emotional moment for Chris and all those who shared his story.

A recent residents survey provided the following feedback:

- ✓ 91% Felt they had a warm welcome.
- ✓ 81% Felt they had access to activities and learning.
- ✓ 91% Felt that their physical well-being was addressed.

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- ✓ 100% Felt that their mental wellbeing was addressed.
- ✓ 78% Felt their substance misuse issues were addressed.
- ✓ 100% Felt they were kept safe and protected during the Covid-19 Pandemic.

Ruby - serving vulnerable women in South Yorkshire

Our team works with vulnerable women in a trauma informed way to build a relationship of trust, to help fight with them for their ultimate freedom from chaotic lifestyles, drug addiction and abuse. As we seek to achieve the long-term goal of social justice for the women, we work with patience and hope, within realistic expectations of what changes are possible. Our staff team is relatively small (1 full time worker and 3 part time) with a few dedicated volunteers and we actively support around 50 women at any one time. We run a drop in, offer in community support and street outreach.

Our drop-in provides a safe space to access, to experience respite from a chaotic and unstable lifestyle. We have recently made some changes at the drop in; we are the only female only washing space in our city for homeless women so we provide something that is really valued by the women. We have moved the clothes bank to make it a space women can look for clothes. One of the women after the changes commented it felt like a boutique and it was special for her to come to it. Several of our women have commented on how it brings them dignity. Women can wash their clothes (which means they are able to hold onto their belongings this is something that is really hard when you don't have stable or safe housing, you experience so much loss, if we can help women keep hold of some of their stuff then it helps for emotional and mental well being) we also have some lockers for other important belongings. We offer food parcels: joint working with the food bank we are able to give out food parcels to our women, we also give out snack bags (for women who have no stable/ safe accommodation so no access to cooking facilities). The house is also a sanctuary - a place to explore faith, receive prayer and enjoy fellowship.

We are experiencing a surge in demand and our drop-in is being accessed more than ever before. We have had a real increase in women who experience domestic violence and so having a safe space to come to which is women only has been invaluable to many.

Tam's story - from the perspective of one of the Ruby project staff

I was particularly impacted by how important our love for the women is through a recent outreach interaction. A reflection of the love of God for us. We hadn't seen this woman for a long while because she had been very poorly (suffering from psychosis) and she was very cautious approaching us. We greeted her warmly, reinforcing how wonderful it was to see her and emphasizing how much we had missed her. She described how rubbish she had felt, and how being so poorly had caused her to feel embarrassed about engaging with us. Looking out the car window, I could see how much she had deteriorated, she looked so different to months ago when we had helped her to appointments and helped her move into a new house. Due to physical health decline and years of trauma her mental health dramatically declined. I explained that she could come to us anytime, good day or bad; whether she was well or not didn't change our love for her. She was obviously struggling with this idea, so we asked her whether knowing that we were poorly would change how she felt about us? "Oh no", she said, "I would still love you a lot".

"Exactly" we said, and went on to explain that this was how we felt about her, that her being poorly hadn't changed how much we loved and cared for her. It was at this point that she welled up; she made the connection and understood the illustration. I wonder if this woman has ever been loved like this or when was the last time? Unconditionally, without exception, regardless of whether it's a good day or a bad day, or whether she's well or not. We have seen her twice at the drop-in since this interaction, and really believe that God is doing something in her heart and life.

Jackie's story*

"I was assaulted last night at where I live so I ended up walking the streets all night. No money, no phone - I only have what I am standing in, I can't go back to get my stuff. I was waiting for it to get light because I knew I could go to the drop-in, they would help me. I was greeted and went into the warm. I knew I would get a hot drink and some food. I was bundled in blankets and was able to get it off my chest what had happened last night as I tried to make sense of it. Over the next 2 days they helped me - report to police and sort out temporary accommodation."

*Name changed to protect identity

The Amber Project

As The Amber Project celebrated its 20th birthday earlier this year, we are reflecting on what has undoubtedly been our most challenging year to date. One of the unfortunate legacies of Covid is what has been termed 'a post pandemic mental health tsunami' which has led to significant rise in young people referring to the project with issues around self-harm. Currently more than 200 young people on the waiting list to access the project.

Young people are presenting with increasingly complex issues which in turn impacts on the degree of support they need, the project works by offering young people safe space, a community within which they can gradually develop skills that they will continue to use long after they have left the project.

We want to express our thanks to Caryl Stock who has led this amazing project for over 20 years until she retired in August 2023. Earlier this year we interviewed and appointed Tim Crahart as the new operations Manager for Amber.

.... I was very suicidal when I was referred, deep in self harm and bulimia, struggling with keeping the secret that I had been groomed online a few years earlier. I wasn't seen as worth anyone's time. CAMHS said I didn't have any problems, the school just shouted at me for self-harming in the toilets, my family didn't understand and made me feel alone, and I lost all my friends. I was the weird girl that cut herself. And I was hiding such deep pain. So much self-hatred. The Amber project gave me a place to connect with others. I was accepted. Cared for. Included. I will forever be grateful for that. I really do believe it saved my life. (shared with consent).

Objective 2: Advocating Evangelism

Our second objective is Advocating Evangelism. Simply, this is being champions for the spreading the Gospel. As advocates for evangelism we encourage and promote the sharing of the message of salvation through Jesus and encouraging individuals, churches and leaders to share their faith with those around them, whether through personal relationships or evangelistic outreach opportunities.

As part of Advocating Evangelism we promote living life in such a way that others can see Christ in us and be drawn to Him. It requires being intentional about sharing the good news of Jesus with others and being willing to step out in faith and trust God with the results.

There are a few ways that we do this:

Our Communications Team is a key player in promoting evangelism, using various platforms such as print, online videos, websites and social media. Through sharing stories of lives transformed, the diverse range of work we do, and creating new avenues for interactive engagement, Church Army's Communications Team are responsible for giving our work a platform to external audiences, as well as our large internal network. Our evangelists are also making a local impact by utilising online communication to share their amazing work, including the impactful projects we fund.

Inspiring church leaders

Our DARE strategy relies on church leaders embracing evangelism, which is essential. Our Senior Leadership, Research, and Training teams have actively participated in a myriad of events across the United Kingdom

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	2021/22		2022/23	
Page Views	154k	Page Views	193k	+25%
Users	41k	Users	60k	+46%
New Users	41k	New Users	59k	+44%
Device Type	Desktop 54%	Device Type	Mobile 51%	+10%
	Mobile 41%		Desktop 44%	-10%
	Tablet 5%		Tablet 5%	0%
Top 3 Pages	Home Page 28K	Top 3 Pages	Home Page 30K	+7%
	Jobs 13K		Jobs 16K	+23%
	Not Found 8.5K		My CA 7.1K	

and Ireland. We have been honoured to speak at conferences, theological colleges, and diocesan events, spreading the message far and wide.

Encouraging the wider church: Church Army speaking engagements

Our Evangelist's captivating speaking engagements empower churches across the UK and Ireland. These engagements, held at Sunday morning services and other weekly events, are crucial for increasing financial and prayerful support. They provide a unique opportunity to share the importance of our Evangelist's Kingdom work, inspiring and encouraging other Christians in various settings. Each year, we reach approximately 100 platforms, spreading our impactful message far and wide.

Our new website facility continued to expand and produce increased engagement with visitors - up 25% by page views and up 46% by users on the previous year:

Platform	Project	Reach	Reactions (Likes & Comments)	Shares/ Retweets	Click-Throughs	New Followers	Total Followers (As of 31/3/23)
Facebook	Church Army	509,372	5,274	935	10,845	328	4,091
Twitter	Church Army	500,700	5,476	628	896	217	10,246
Instagram	Church Army	44,062	4,836		314	229	2,190
Facebook	Centres of mission	303,636				1,054	6,064
Instagram	Centres of mission	2,050				136	136
Facebook	Key Projects (MBP, MIM)	36,600				100	880
Twitter	Key Projects (MBP, MIM)	46,099				-3	3,398
Instagram	Key Projects (MBP, MIM)	21,561				165	2,064
Facebook	WCC	29,690				30	369
Instagram	Wilson's Café	2,456				41	252

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Facebook	Wilson's Café	667				13	75
Facebook	LEAD	716				40	72
Twitter	LEAD	15,275				487	547
Facebook	Envoy	5,759				8	81
Twitter	Envoy	2,496				13	74
Instagram	Envoy	551	124		4	9	181
Meta Paid Ads	All	617,447	1,357	111	17,070		
Totals	All	2,139,137	17,067	1,674	29,129	+2,727	30,720
vs 2021/22		-17%	+11%	-33%	+52%	+5%	+10%

Facebook (organic)	All	886,440				+1,573	
Twitter	All	564,570				+714	
Instagram	All	70,680				+415	

Objective 3: Resourcing Evangelism

The Research Unit

The Research Unit continues to resource evangelism by working to show how God is active in mission and increase understanding in why churches' participation may falter or flourish. This is done by conducting excellent and innovative research and consultancy whilst growing the team's network and partnerships with churches and dioceses across the British Isles and Ireland.

For more information, please visit www.churcharmy.org/research

During the year, the Research Unit produced two high profile national reports:

- Paid Pioneers: From the Margins to the Mainstream? (June 2022)
- Growing Leaders on Urban Estates (February 2023)

The research team have also worked on external research projects for a range of clients including:

- National Estate Churches Network - evaluation of urban training pathways in the dioceses of Birmingham and London
- The Arthur Rank Centre - evaluations of courses and training initiatives for rural mission
- The Church of England's 'Living with Love and Faith' initiative - qualitative research feeding into the report 'Listening with Love and Faith'
- Short-term (3-month) and longer-term (5-year) research and consultancy projects for various other dioceses

The team are also conducting increasing amounts of internal research for Church Army. Over the past year, this has included:

- Recording the Journey - a project which gathers statistics and stories from centres of mission
- Triennial Reviews of Centres of Mission and other key projects (facilitated by the research team with the help of a wider team of Reviewers from across Church Army)
- Designing evaluation tools for LEAD and Missional Youth Church Network
- Staff survey design, analysis and reporting

Towards the end of the reporting period (March 2023), the team also commenced a major new research project on effective evangelism. This represents the introduction of a third strand of work for the research team (alongside internal and external research) over the years ahead.

Church Resources and Leadership Development

We have continued to Resource and Enable Evangelism through the development and implementation of our Church Resources and Leadership Development offer.

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Over the last year our core Faith Suite of resources, i.e. Pictures, Shared, Empowered, have undergone further development taking into account feedback from evangelists and users. Following this process of refinement, we have started to explore how to significantly grow our user groups.

Faith Empowered facilitator training has been delivered to five English dioceses and one Welsh diocese, with a further fifteen having ongoing conversations as to how it could fit into their lay training scheme. We are also exploring how it could be used in the Church of Ireland to train lay pioneers.

We have begun development of a network of Faith Empowered Facilitators, gathering them in WCC for a 24 hour conference in September. Over the course of our time together we gathered their thoughts and reflections on the resource, challenges they are facing in rolling it out, and gave space for them to offer support and advice to one another. This was well attended and received, and will be repeated in September 2023.

We are also delivering Faith Empowered to a cohort in the Diocese of Christchurch, New Zealand. Facilitated monthly online by our resources team, it is a chance to engage a new audience with the resource, as well as help our resources team further refine the content.

A fourth component of the Faith Suite is in development, building on the previous apologetics resource 'Why on Earth?'. Titled 'Faith Questions', it is based on the structure of Faith Shared, and will be released in the next year once development and testing are completed.

Following on from a successful Lent 2022 resource development, Lent 2023 was planned to grow engagement, building on the cross-team learning that took place.

LEAD is Church Army's online leadership development resource for growing leaders. In April 2022 LEAD online learning portal and website was officially launched. As part of this official launch we have developed our offer to Evangelists, and CAMC members. We continue to offer a rolling programme of online learning groups.

In September 2022 we also launched a Reflective Supervision offer to our Evangelists to complement our Leadership Development offer. This very quickly became fully subscribed.

The Wilson Carlile Centre (WCC)

The Wilson Carlile Centre in Sheffield has been the home of Church Army for the past ten years. Located in the heart of the city, the building is a modern looking, multi-purpose centre offering: a café; a theological library; 30 en-suite bedrooms; a spacious three-bedroom apartment; day and residential conference facilities; a chapel; garden and city centre parking.

Highlights from the last financial year include:

Accommodation:

- Having been closed for much of 2020 and 2021 due to Covid restrictions it has been immensely encouraging to see record levels of occupancy and income throughout 2022-23
- Maintaining high guest scores and excellent reviews on booking.com (currently 8.2) despite the challenges.

Conference & Catering

- There has been a slow return to events and conferencing

Café

- This has seen a gradual increase in sales as the public has returned to Sheffield City Centre, the increased use of our Accommodation and as more staff have been working from the offices

To find out more, visit www.wilsoncarlilecentre.org.uk

Flexible working

The new ways of working forced upon us by Covid have been embraced, but we have also recognised the significant benefits of in person working for collaboration and expression of our community and values as

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the home of Church Army. Building community and developing culture have been at the heart of our discussions as we've continued to navigate the next steps of our journey in this area.

Objective 4: Enabling Evangelism

Initial Training Programme

Initial Training is a key part of our DARE strategy, enabling more people to be resourced and equipped as CA Evangelists. At the end of March 2023, we had 34 Evangelists-in-Training (EiTs) to be Commissioned and 1 diocesan sponsored candidate. The September 2022 entry of new EiTs numbered 14 (of these, 1 deferred training for a year, 1 is on maternity leave, and 1 is no longer working with Church Army). We welcomed 8 people starting their training in September 2023. In July 2023 we Admitted and Commissioned 14 new Evangelists, and we anticipate we will Admit and Commission 7 more in July 2024. Alongside this we have started planning to train Church of Ireland Pioneers from September 2024.

Envoy

We are excited about the work of Envoy across the UK and Ireland. Church Army rebranded Envoy as the evolution and merging of 10 years of coaching in evangelism (we already have over 80 members), which is a stunning development. The Envoy community remains committed to equipping the church to share the good news of Christ effectively. An Envoy member said these words:

'Envoy gave me an opportunity to discover the breadth of evangelism. To recognise that there is not a 'one size fits all model'

Mission Community

The Church Army Mission Community was established over 10 years ago and continues to develop and understand its identity. During the past year the Church Army Mission Community has continued to grow in number and activity. The small 'clusters' of evangelists and supporters meeting together to encourage each other, learn more, and pray for the work of Church Army have established new patterns of meeting after the disruption of the pandemic. New groups of evangelists working in similar contexts (such as prisons, or healthcare environments) have begun to meet to share good practice and support each other in their ministry. A new programme of 'Discovery Days' and 'Discovery Evenings' has ensured a steady flow of new members to the community and the work of Church Army being profiled to a wider audience. The Church Army Mission Community continues to support and uphold all the people and work of Church Army in prayer.

Public benefit statement

The Trustees have considered the Charity Commission guidance on public benefit and are satisfied that both the aims of the Society and what it delivers meet the public benefit test.

Church Army meets the criteria through:

- the advancement of the Christian religion
- provision of services for homeless people
- its youth and community work

Church Army does not discriminate between those who profess a Christian faith and those of no faith. Our work is open to those of all faiths and no faith. Examples of how we do this can be found on pages 5 to 21.

Objectives for the coming year

Many of these objectives build on the success of the last year. We have already started working on reaching these objectives in the year ahead.

Doing evangelism

- We will continue to explore exciting new developments in evangelism and social action through our centres of mission, projects, partnerships and opportunities provided through other organisations.

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- Further develop the initiatives of Envoy as ways of releasing around 100 people in evangelism in their context. We will continue to develop the profile of Envoy as a resource to make evangelism as a way of life.
- To develop new Missional Youth Churches across England through our partnership with the Archbishop of York's office and the Archbishop of York's Youth Trust and new partnerships.
- We will continue to demonstrate God's love unconditionally to all, particularly through our work in communities, with the homeless and with vulnerable people.
- We will develop a theory of change and strategy for each of our Key Projects that can then be used to define the difference they make. This will then be used to advocate for the work that they do and attract new income generation.
- With increasing amounts of dioceses seeking partnerships for our Centres of Mission we will seek to prioritise where we go into partnership and we will evaluate the effectiveness of existing partnerships.
- Explore finding a patron for each of our Key Projects.
- We will further develop the integration of Waterways Chaplaincy into the family of Church Army as part of our front-line work.

Measures

- ✓ Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives.
- ✓ The effectiveness of our partnerships to set up new centres of mission in areas where need is identified.
- ✓ The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues and fulfil their potential.
- ✓ The provision of accommodation for those who are homeless and through the increase in the numbers of people we are able to move towards independent living.

Advocating evangelism

- We will continue to challenge and inspire individuals and the church to reach out to their communities, sharing their faith through words and action.
- Our Research Unit, working in partnership with others, will continue to challenge and resource the wider church in its mission through research projects and publications on online church, pioneering, urban estates leadership and other topics.
- We will continue to advocate evangelism through the development of media opportunities.
- We will create resources that encourage individuals and churches to undertake evangelism.

Measures

- ✓ Increased number of strategic opportunities to inspire leaders in mission and the number of invitations from dioceses to help them in their evangelism.
- ✓ Numbers of completed research projects on mission and evangelism.
- ✓ Strategically working with partners to influence positive change in the church.
- ✓ In the number of speaking engagements, which offer the opportunity to promote evangelism and the work we do.
- ✓ Increased press and media opportunities and engagement with our social media presence.
- ✓ The number of people exploring evangelism through our resources.

Resourcing evangelism

- Through delivering a digital strategy that will help us communicate better, training greater numbers and increase our reach.
- We will continue to develop LEAD to resource leaders and the wider church in mission.

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- By continuing to develop new evangelism resources, both on our own and in partnership with others, for the wider church to get involved in evangelism.
- Through our partnerships with other Christian organisations, where together we can add value to each other's work.
- Through the evidence-based research, which assists the wider church to look strategically at new ways of being Christian community.
- We will run lifelong learning events to resource and refresh our evangelists' skills in evangelism.
- We will seek to increase the numbers of people engaging with the Church Army Mission Community.

Measures

- ✓ The success of the above through the uptake of our resources.
- ✓ The increasing numbers engaging with LEAD resources both within Mission community and diocese we work with.
- ✓ Increased capacity for delivering LEAD action learning groups.
- ✓ Pilot LEAD within a diocese and within a diverse national office team.
- ✓ Increase the additional LEAD modules available.
- ✓ The number of training opportunities and the impact of our research and partnerships.
- ✓ The numbers in our training programmes, both local and national.
- ✓ The number of enquiries and applications made to the Mission Community.

Enabling evangelism

- Through increased numbers of lay people being trained and resourced by our frontline evangelists and national training staff for evangelism in their local contexts.
- Through increasing the number of participants on our Envoy programme for 18 to 30 year olds.
- By offering volunteering opportunities in our centres of mission and helping volunteers engage with the Church Army Mission Community.
- Through the increase in numbers of people training through our commissioned pathway.
- Through developing training relationships with dioceses and national churches across the UK and Ireland
- We will begin delivering our new volunteering strategy, which will support and better equip existing volunteers and work toward doubling the number of those who volunteer with us.

Measures

- ✓ The uptake of our volunteering, Envoy opportunities
- ✓ The number of churches that use our resources as a stepping-stone for their own programmes
- ✓ The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities
- ✓ Increased numbers of people training for our commissioned pathway, including more people from regional churches across the UK and Ireland
- ✓ Increased number of people sponsored for training by dioceses and churches across the UK and Ireland
- ✓ Number of formal or informal training partnerships with dioceses and churches across the UK and Ireland

Financial review

The review below covers the financial position for the year from 1 April 2022 to 31 March 2023.

This has been a very challenging year with major external factors affecting people and organisations across the UK and the world, including:

- War in Ukraine - impacting cost of goods
- Political turbulence - with resulting volatility in financial markets
- Inflation rising to a record 40 year high impacted almost every cost of our work

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- The rising cost of living reducing donation income and making it harder than ever to attract new donors - while at the same time increasing demand for our services

We started the year planning for an operating deficit of £3.0m as we continued to invest our reserves in growing our work, while we also started developing plans to work towards longer-term financial sustainability. The difficult external environment had a significant impact on income and costs, and this led to a higher than planned operating deficit of £3.91m for the year.

The economic challenges and turbulence in the financial markets resulted in us seeing losses on our investment properties and just nominal gains on our financial investments increasing the overall deficit for the year to £4.44m. This is a significant change from previous years when we benefited from strong gains (2022: £2.14m, 2021: £2.13m) to help fund our operating deficit.

High inflation has continued into the new financial year and while it has started to ease at the time of writing this review (in the summer of 2023) increasing the cost of all supplies and the higher cost of living has created a very difficult environment as we work to increase our fundraised income.

There was only a nominal change in the liability relating to our defined benefit pension scheme this year, compared to a £613k benefit last year.

Here are some of the key points from our accounts:

Income - total income reduced to £6.12m down £0.25m from the previous year (2022: £6.37m).

Donations - reduced to £2.06m (2022: £2.41m) - in the previous year we benefited from £373k of a £473k one-year grant from Barclays / Evening Standard / London Community Foundation to enable the new Sanctuary, our 24 hour a day drop-in centre at our Marylebone homeless project which opened in November 2021, to set up and run for the first year. Finding ongoing funding has proved very difficult.

Legacies - income dropped for the second year in a row to just £260k (2022: £428k), well below the average of the last ten years. The timing of legacy receipts is outside of our control, but this is an income stream which continues to reflect Church Army's historic connections; a rich heritage and blessing which has clearly left a mark on people's lives.

Income from our partners for Charitable Activities - increased slightly to £2.89m (2022: £2.79m). This was principally a result of increased housing benefit income at our homeless projects £1.68m (2022: £1.54m). Research income from external clients - reduced to £45k (2022: £63k) as the team had a greater focus on internal Church Army projects during the year.

Income from other trading activities - bounced back above pre-Covid levels to £400k (2022: £179k) with record levels of occupancy and income delivered from the accommodation at the Wilson Carlile Centre.

Non-charitable trading: SPACE & MUNCH - Social Enterprise activity at our Marylebone Project was slower to restart, as we took a cautious approach to protect our vulnerable residents, but it has been good to see activities resuming and new bookings coming in with income levels rising during the year.

Expenditure

Costs of Raising funds increased to £1.50m (2022: £1.28m) primarily due to increased direct costs of trading activities (up £0.17m) reflecting the higher levels of activity and income, filling vacancies in the fundraising team and increased costs (up £60k) invested in our fundraising for the Marylebone project through our contracted fundraising consultancy to help sustain the Sanctuary 24-7 project after the initial one-year funding expired.

Spend on **Charitable activities** increased by £1.0m to £8.48m (2022: £7.42m) primarily due to higher costs in our Marylebone homeless project with total spend on homelessness up £0.71m to £3.67m (2022: £2.96m). Part of this was a full year of additional costs running the Sanctuary, and £0.26m was due to the higher costs of agency staff used to cover roles where we struggled to recruit permanent staff. Spend on Centres

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of Mission rose £0.22m as we opened new centres. Also included in the increase is the cost of settling the WITH contingent liability (£0.15m) described under contingent liabilities on page 27.

Apart from the above, overall expenditure remained well controlled, despite pressures on all cost areas due to higher inflation, with monthly management accounts reviewed by every budget holder and the Management Group to ensure an effective and efficient use of financial resources.

Re-measurement gain on the defined benefit pension plan - For many years up to and including March 2021, the balance sheet carried a liability being the actuarial shortfall of the assets of Church Army Pension Scheme (CAPS) Defined Benefit pension plan to meet future liabilities. As a result of investment actions and future arrangements agreed by the Board working with CAPS trustees, the scheme moved to surplus, and the 2022 accounts included a reversal of earlier provisions. There is now no liability in the Balance Sheet. There are more details in note 23 to the accounts.

Although the market volatility in the autumn of 2022 and rise in gilt yields affected many pension funds, the arrangements in place for the CAPS scheme were robust. The value of the investments held by CAPS was affected but so was the value of liabilities, reducing the overall funding deficit. The 2023 updated valuation shows that the fund remains in surplus.

The changes that have been made over the past two years mean that Church Army results and spending plans are no longer affected by unpredictable fluctuations in the CAPS financial position.

Major capital works

No major capital works were undertaken during the year.

Investment policy and performance

Church Army's investments comprise properties which are rented out for income and funds invested with investment managers with the primary goal of capital growth. Investments are liquidated from time to time to provide the cash needed to fund the planned deficits.

The total return on investments, (dividends, rental income and capital growth) was a loss of £77k (2022: gains of £2.637m), comprising income of £467k (2022: £502k) and losses on investments of £544k - a very different result to the previous year when we saw exceptional capital gains of £2.135m. The continuing cost of living crisis, record high inflation and bank interest rates has depressed the property market and current forecasts indicate limited capital gains in the next 2 years.

Investment properties

Church Army's investment properties were previously used as accommodation by employed and retired evangelists. Rental income reduced to £451k (2022: £458k) due to the sale of several properties during the year. At each year end the investment property portfolio is revalued - the revaluation at 31 March 2023 resulted in the value decreasing by £675k (2022: increase £1,580k), reflecting the decline seen in the housing market nationally.

Funds with specialist charity investment managers

The Church Army general investment portfolio is placed with two high performing funds, one run by Ruffer LLP and the other by CCLA, both specialists in charity fund management. The Investment Sub-Committee receive quarterly updates and meet the managers each year to review results, investment strategies and prospects. They also make use of charity investment comparators, including the quarterly Multi-Asset Charity Fund Review published by ARC Research Ltd. The Investment Sub-committee then provide guidance to the board when they consider that change is required.

Church Army Funds with Ruffer are invested in the Charity Assets Trust, a cautious that aims to preserve capital and deliver positive growth. Church Army funds with CCLA are invested in the CBF Church of England Investment Fund which aims for consistent dividend returns. In the past year's review by ARC of the Charity Assets Trust was the top performer and the CBF CofE Investment fund the third best out of 21 charity funds. The comparative returns between Ruffer and CCLA are shown below together with the benchmark for the per group.

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Year ended:	31 March 2023	31 March 2022	31 March 2021
Ruffer – Charity Assets Trust	1.2%	8.2%	24.1%
CCLA – CBF Church of England Investment Fund	(0.8%)	11.4%	24.3%
ARC Balanced Asset Charity Index	(4.5%)	(3.4%)	17.4%

Balance of Investment portfolio

The Investment sub-committee met in August 2022 and took advice from the fund managers and the property manager. The allocation of the portfolio between property and investment funds is being re-balanced better to cope with the need to liquidate investments on a regular basis to fund working capital, current uncertainties in the markets and forthcoming rental property regulations.

An active ethical investment policy

In 2019/20 the Board adopted the investment policies set by EIAG - the Ethical Investment Advisory Group of the Church of England. That policy not only sets out areas where there should be no direct investment (e.g. tobacco, gambling, non-military firearms, or high interest rate lending) but also expects the investee “to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice”. The policy, which is considered to be a leader in this area, requires investors to be active, engaging with investee companies to seek improvement in ethical standards in these areas.

The CCLA CBF Church of England fund is compliant with EIAG. The Ruffer Charity Assets Trust fund's responsible investment policy has been shaped by the concerns of many charities. It imposes strict restrictions on investment in alcohol, armaments, gambling, pornography, tobacco, oil sands and thermal coal. It also follows a proactive voting and engagement approach with companies held within the fund. The fund is monitored against UN Global Compact principles, MSCI's ESG Metrics and the managers also monitor the fund's carbon metrics.

Reserves (Funds) policy

At the year end the **Unrestricted Free reserves** of the Charity had reduced to £6.5m (2022: £9.4m) reaching our target figure. These unrestricted free reserves are held to provide a contingency in the event of an unexpected shortfall in income or significant uplift in costs and represent less than 7 months operating costs.

During the year we continued to invest in growing our work, pursuing our DARE strategy and used a further £1.3m of our **DARE Designated Reserve** to fund this work, reducing this fund to £4.9m. This fund continues to be used to support the growth of our work:

- Establishing new Centre of Mission partnerships. Many of our partners look for 3 to 5-year agreements, designating the funds for these partnerships strengthens our relationship opportunities and allows us to plan forward with more confidence.
- Enabling significant investment in delivering a step-change in Fundraising to generate an extra £2m pa by 2026 to help move us towards financial sustainability.
- Supporting our training growth, which is anticipated to double each year, and for the next few years at least and will support the growth in centres of mission.
- Developing the additional training programmes and the related digital mechanisms needed to support the expansion in staff and volunteer numbers.

The free reserves include unrestricted investment property (which is non-liquid in nature) of £11.8m (2022: £12.8m). The Trustees are aware of this and arrangements are in place to convert the investment property into liquid funds.

Restricted Funds, given for specific purposes **reduced to £6.9m** (2022: £7.2m) as the monies were used for the purposes for which they were given.

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Operational Properties (including our Marylebone Homeless project and Wilson Carlile Centre) comprise **£7.3m** of our total reserves - we cannot access these funds without selling the properties and so these are identified separately in our reserves summary below.

In total, these reserves come to £25.6m, but as outlined above £14.2m are tied up in Restricted funds and Operational Properties. £4.9m is designated for our ongoing investment in growing our work while we move towards financial sustainability - and having set a deficit budget of £3.5m for the current financial year this will see over half of this designated reserve used up in the current year. The Unrestricted Free Reserves represents less than 7 months operating costs and provide a contingency to cover any unexpected shortfall in income or uplift in costs.

The following table gives a summary of the funds we hold:

	Target	Actual 2023	Actual 2022
Restricted Funds	6.9	6.9	7.2
Operational Properties (buildings used for our work)	7.3	7.3	7.2
Designated for investment in DARE strategy and step change in Fundraising	4.9	4.9	6.2
Unrestricted Free reserves	6.5	6.5	9.4
Total	25.6	25.6	30.0

Contingent liabilities & assets

In 2019 Church Army provided support to a venture seeking to establish a Community and Retreat centre for young people using the buildings of a former convent. As part of this support Church Army employed the staff and signed the lease for the site, with the expectation that these would be formally transferred across to the new charity once it became established. While refurbishment of the buildings commenced as planned, Covid had a significant impact on the wider plans for the venture and in the spring of 2022 the Trustees of that venture decided to close-down the project. The 2022 Trustees Report recognised a contingent liability of £356,000, being a claim made by the freeholder of the site. The matter has now been settled with the freeholder at £150,000 which is included in the year end results. Church Army expects to reclaim some funds from the WITH charity towards this cost, but the amount is not known at the date of signing these accounts.

Fundraising activities

Church Army has fully embraced the protocols established by the Fundraising Regulator and laws which came out under General Data Protection Regulations in 25 May 2018.

Church Army has always maintained a highly competent and professional approach to what is now a strictly regulated sector, balancing the need to generate funds while at the same time, fully respecting the position of both our existing and potential donors. Church Army has adopted a very robust approach to ensure full compliance with the requirements of the Fundraising Regulator and the 2018 GDPR legislation. This is particularly so in the area of donors in vulnerable circumstance, where working practices have been established to respect and protect their position.

Church Army first published a clear policy on donor relationships over five years ago. This has been strengthened to reflect more clearly our relationship with the Fundraising Regulator to state:

- We believe that the way we raise money should model our Christian values, with integrity, accountability and honesty, born out of a genuine two-way relationship; you wouldn't expect anything less. That's why we are not only committed to upholding the Code of Fundraising Practice, we are committed to setting the very highest standards in fundraising. We are registered with the Fundraising Regulator whose Fundraising Promise states:
 - We will commit to the highest standards
 - We will be clear, honest and open
 - We will be respectful
 - We will be fair and reasonable
 - We will be accountable and responsible

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The complete text can be found on the Church Army website: <https://churcharmy.org/ways-of-giving/fundraise-for-us/our-pledge>

We received one complaint from an existing donor. The complaint related to the wording of our Spring Appeal, which turned out to be simply a misinterpretation of the wording intention. Since this was resolved the donor has made his first four-figure donation for five years.

We continue to work hard with existing warm individuals, parishes and trusts and foundations to maintain and grow our income, as well as pursuing new opportunities. Funding from businesses and corporates is still an area we want to push into in the future.

Trust income was adversely affected by being one trust fundraiser down for much of the year. We recruited a replacement towards the end of the financial year. However, in the circumstances we still saw a solid performance.

Major donations were received from The Roland Callingham Foundation and Jerusalem Trust for general funds and to support our centres of mission; other significant major donations were received from London Community Foundation, The Julia and Jans Rausing Trust and Mrs S Walker supporting our work at the Marylebone Project. We are extremely grateful for the generosity of these and all our loyal donors.

We'd also like to recognise and thank grants given by:

- Halifax Foundation (NI) - £4,000 to Newry CoM towards the Lifeguards Programme in June 2022
- Welsh Government ("VSRF Small Grants") - £16,792 to safeguard an Amber Support Worker post given in 2 instalments - 21 February 2022 & 16 May 2022

Individual donors remain our most loyal and long-standing contributors and we continue to look for creative and innovative ways to maintain and grow this critical support group. We tested a fresh approach to donor acquisition using an external marketing and fundraising agency. This was largely unsuccessful for various reasons but there has been learning for us in the process. We will use this learning to inform our work in future.

It has continued to be difficult to engage churches following the COVID-19 pandemic, with many churches but we have begun to increase the number of speaking engagements with 28 during the year. Many traditional churches struggle with attendance and finance and this affects their ability to give at previous levels. However, we still have a huge opportunity to grow income from churches by raising our profile to engage more churches as well as diversifying our approach in future to other denominations.

We had planned a fundraising challenge campaign in September to commemorate 140 years of Church Army but this was cancelled following the death of our Patron, Her Late Majesty Queen Elizabeth II.

Church Army uses professional external fundraising for the Marylebone Project and the business involved is signed up to the same working practices that we adopt ourselves.

For further information about the Fundraising Regulator visit www.fundraisingregulator.org.uk

Going concern

The trustees agreed a deficit operating budget of £3.5m for 2023-24 as it moved forward with plans to recruit a Director of Fundraising and Communications to lead the development of a strategy to deliver a Step-Change in Fundraising income over the next 3 years. The new Director of Fundraising was appointed in May 2023 and brought forward plans for significant investment in Fundraising and Communications to deliver the planned step-change in income. These plans were agreed by the Board in September 2023, alongside plans from the Senior Leadership Team to reduce operating costs by 10% to reduce the annual deficit and provide time for the investment in Fundraising to deliver the anticipated results.

The Board has reviewed finance models forecasting the impact on reserves over the next 5 years and having reviewed the plans and reserve models, the Board believes sufficient reserves are in place to support the continued investment in the organisation's DARE strategy and the planned investment in delivering a step-

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change in fundraising over the next 3 years with the aim of moving towards operational financial sustainability by 2027.

In continuing to spend its reserves the Trustees acknowledge that continuing sales of its investment properties will be required to fund working capital and a plan is in place for these disposals and the Board plans to make use of borrowing if needed to bridge the sale of investment assets.

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

Structure, governance and management Constitution

The Society is both a registered charity and a company limited by guarantee governed by its Articles of Association, which specify that its legal objects are “to bring people to a personal faith in Jesus Christ” by:

- (i) providing trained evangelists and lay agents to assist the advancement of the Christian religion
- (ii) preaching the need of conversion, holiness of life and church membership
- (iii) relieving poverty and distress

The Society is registered with the Office of the Scottish Charity Regulator and the Republic of Ireland and is applying for registration in Northern Ireland.

Appointment, induction and training of Trustees

The Board of Trustees comprises people with relevant expertise including Church Army evangelists. Trustees are co-opted by the Board, following a search based on filling identified gaps in skills and experience and must be elected by the membership at the next Annual General Meeting. Good governance is vital to the effectiveness of the organisation and so training and induction programmes for new Trustees are tailored for each individual.

Following the planned departure of trustees during the year, the results of a skills audit were used to inform a trustee recruitment programme using an external agency which led to the appointment of 4 new trustees to the Board bringing skills in key areas, including Digital, PR and Media, Legal and Finance. Each of these trustees comes from a unique background as well as the specific skills and experience they bring.

Board diversity

The Board is delighted to have achieved a more diverse membership with 50/50 female/male elected trustees (plus the CEO), a 30% representation from GMH backgrounds and 40% aged under 40. Recruitment of a further trustee with Fundraising expertise is close to completion at the time of signing this report.

Organisational structure and decision-making

The Board carries overall responsibility for every decision made within the Society and has delegated certain powers to the following committees:

The Finance Committee:

- advises the Board on financial policy and its implications
- monitors the development of financial systems
- approves the purchase and sale of properties and other capital expenditure within parameters determined by the Board
- recommends to the Board the appointment and remuneration of external auditors
- discusses and agrees with the external auditors as to the nature and scope of their activities
- considers with the Chief Executive the implications of the auditors' recommendations as set out in their management letter and monitors progress against agreed action

The Investment Committee monitors and reviews the policy and performance of the Society's investment managers and property portfolio.

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The Senior Leadership Team is responsible for implementing Board decisions throughout the Society and the executive management of its operations and resources through its Management Team.

The Marylebone Project Board formulates and implements strategy and oversees all operational matters relating to the Marylebone Project for homeless women on behalf of the Portman House Trust and Church Army as sole Trustee.

The Society also has a President and Vice-Presidents, who have no formal powers but act in an advocacy role within the wider church. They are listed on page 1.

Church Army International

Church Army continues to support a collective group of societies in Australia, Barbados, Canada, Denmark, Jamaica, New Zealand, the United States of America, various countries across Africa and Vanuatu. Each of these is separately constituted and independent of the others. There is mutual support and regular contact between the leaders as part of the International Leaders, chaired by the UK CEO.

Pay policy for senior staff

During the financial year in review there was no formal remuneration policy for any group of employees, beyond the commitment to pay at least the living wage under The Living Wage Foundation criteria.

Subsequent to the year-end the Board, through the Treasurer, has undertaken a benchmarking exercise for senior staff and set a remuneration framework, based on that review, to reflect the market forces within the sector. The resulting level is adjusted to recognise both the need to recruit and retain staff with the appropriate skills and experience.

Risk management and internal controls

The Board has overall responsibility and regularly reviews all aspects of risk management to ensure that the Society has appropriate systems of internal control, whether strategic, operational, financial, or with regard to legal compliance. Systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustees and detailed monthly management accounts which report actual performance compared to budget
- A strategic statement of the Society's purpose, values and vision supported by more detailed goals and objectives and financial forecasts looking ahead five years
- Internal policies and procedures
- A process for the identification and management of risks
- An agreed level of delegated authority to committees and management
- Checks to ensure that transactions are properly authorised and recorded
- Carrying out internal audit where appropriate

Risk	Response
Structural budget deficit continues	<ul style="list-style-type: none"> • Ongoing review and shaping of budgets and costs in the light of income and available reserves • Board has committed to significant investment to deliver a step-change in fundraised income over the next 3 years • Rolling 3-year financial model in place to manage reduction of any operating deficit in line with reserve policy targets
Safeguarding risks through failure to protect the vulnerable and marginalised	<ul style="list-style-type: none"> • Culture of Safeguarding embedded across whole of CA • Policies and procedures exist in all CA projects to establish good practice

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	<ul style="list-style-type: none"> • Safe recruitment of all CA staff and volunteers working with vulnerable adults or children • Safeguarding training mandatory for all staff and volunteers with specialist training for specific frontline roles and those with Safeguarding leadership responsibility
Inability to recruit & retain the right people especially for Centres of Mission Loss of key staff / institutional memory	<ul style="list-style-type: none"> • We are running leadership development training programmes and identifying potential leaders and evangelists among members of key programmes at an early stage in their journey with Church Army
Sustainable funding not achieved for Marylebone Sanctuary 24-7 project	<ul style="list-style-type: none"> • Increased investment in external fundraising consultancy to drive higher income • Plans being developed for large scale acquisition of new donors from general public

In addition to the Board review, each year there is a formal review of the risks to which Church Army is exposed and systems established by our Senior Leadership Team to mitigate them are updated or added as appropriate.

Financial records at Portman House Trust (PHT)

PHT is a subsidiary charity of Church Army and operates the Marylebone Project.

During the second half of the year, we became aware that the rent accounting system used at the project to record rent income due and Housing Benefit and Personal Share receipts was not being maintained effectively, leading to uncertainty regarding actual rental income. Church Army's Finance Manager undertook significant work in partnership with key staff at Marylebone to rebuild the records and debtor ledger to produce robust income and debtor figures for the year end. The issue we had identified was reported to the auditors in the audit planning stage and the work was completed during the audit process enabling the Board and the auditor's confidence in the year-end figures.

We are aware this is a matter which the auditors have included in their report, but we are confident that the work undertaken has provided robust figures for this report and a sound basis for the current financial year. A new Finance Administrator has now been appointed to the project and the Church Army Finance Manager continues to work closely with them to ensure correct records are maintained going forward. The Church Army Finance Committee has also agreed to implement a programme of internal audit starting in the final quarter of the financial year to provide additional assurance to the Board and to the Board of Church Army.

Plans for future periods

Church Army continues working to a rolling five-year forward plan. Detailed budgets are prepared for one year in advance and extended into the following 2 years to create a 3-year financial model. Church Army is consciously budgeting an operating loss for the next 3 years drawing on both Designated and Free reserves to support current activity and investment in new work as it pursues its strategy, and at the same time has committed to significant investment in fundraising to deliver a step-change in income over the next 3 years to move us towards financial sustainability.

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Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board on 27 September 2023:



**John Whitfield
Trustee**


+Guli Chelmsford (Nov 22, 2023 16:37 GMT)

**The Right Rev Guli Francis-Dehqani
Trustee**

Independent Auditor's Report to the Trustees and Members of Church Army (The)

Opinion

We have audited the financial statements of Church Army (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of 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 parent charitable company's affairs as at 31 March 2023, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

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 and parent charitable company 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 trustees' 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 group and parent charitable company'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.

Independent Auditor's Report to the Trustees and Members of Church Army (The)

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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 course of 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 the audit:

- the information given in the trustees' annual report (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Arising from our knowledge and understanding of the entity and its environment obtained during the course of the audit sufficient accounting records were not kept and a satisfactory system of control over certain income and certain debtor transactions was not maintained.

For Portman House Trust (subsidiary 67), during the period from October 2022 to 31 March 2023 (and ongoing after date) income was accrued as an estimate for each month within this period and monies received from and overpayments returned for housing benefit and personal share income were posted into a debtor nominal ledger with no reconciliations or identification of which individuals the monies related to. Therefore, a detailed debtor's listing showing the balance owed per individual service user was not maintained.

In July and August 2023, records were retrospectively generated from information available at this time. A debtor listing at 31 March 2023 showing amounts due per individual was produced and these debtors were agreed to after date receipts, after date requests for overpayments or to a bad debt provision. Accordingly, the amounts in the financial statements have been proven and therefore, there is no qualification to our audit report.

Independent Auditor's Report to the Trustees and Members of Church Army (The)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the parent 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 group and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with Trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal costs; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditor's Report to the Trustees and Members of Church Army (The)

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, 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.



Jane Marshall (Nov 27, 2023 14:05 GMT)

Jane Marshall (Senior Statutory Auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: Nov 27, 2023

BHP LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act

Church Army (The)
Year Ended 31 March 2023

Group Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2023 Total £000	2022 Total £000
Income and endowments from:					
Donations and legacies	2	1,062	1,255	2,317	2,834
Charitable activities	3	371	2,520	2,891	2,785
Other trading activities	4	366	34	400	179
Investments	5	447	20	467	502
Other	6	18	24	42	73
Total income and endowments		2,264	3,853	6,117	6,373
Expenditure on:					
Raising funds	7	1,317	184	1,501	1,276
Charitable activities	8	3,122	5,357	8,479	7,421
CoE pension scheme movement	23	-	(23)	(23)	(5)
Other	10	67	-	67	30
Total expenditure		4,506	5,518	10,024	8,722
Net expenditure for the year before investment gains/(losses)		(2,242)	(1,665)	(3,907)	(2,349)
Net (losses)/gains on investments		(509)	(35)	(544)	2,135
Net expenditure for the year		(2,751)	(1,700)	(4,451)	(214)
Transfers between funds	19	(1,412)	1,412	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		11	-	11	95
Re-measurement gain on defined benefit pension plan	23	-	2	2	613
Net movement in funds		(4,152)	(286)	(4,438)	494
Reconciliation of funds:					
Total funds brought forward	19	22,817	7,193	30,010	29,516
Total funds carried forward	19	18,665	6,907	25,572	30,010

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
Year Ended 31 March 2023

Society Statement of Financial Activities
(Including an Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted Funds £000	2023 Total £000	2022 Total £000
Income and endowments from:					
Donations and legacies	2	1,062	591	1,653	1,896
Charitable activities	3	371	757	1,128	1,148
Other trading activities	4	366	-	366	173
Investments	5	447	20	467	502
Other	6	18	23	41	63
Total income and endowments		2,264	1,391	3,655	3,782
Expenditure on:					
Raising funds	7	1,317	107	1,424	1,129
Charitable activities	8	3,122	2,171	5,293	4,838
CoE pension scheme movement	24	-	(23)	(23)	(5)
Other	10	67	-	67	30
Total expenditure		4,506	2,255	6,761	5,992
Net expenditure for the year before investment gains/(losses)		(2,242)	(864)	(3,106)	(2,210)
Net (losses)/gains on investments		(509)	(35)	(544)	2,135
Net expenditure for the year		(2,751)	(899)	(3,650)	(75)
Transfers between funds	19	(1,412)	1,412	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		11	-	11	95
Re-measurement gain on defined benefit pension plan	24	-	2	2	613
Net movement in funds		(4,152)	515	(3,637)	633
Reconciliation of funds:					
Total funds brought forward		22,817	5,294	28,111	27,478
Total funds carried forward		18,665	5,809	24,474	28,111

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

Church Army (The)
Year Ended 31 March 2023

Balance Sheets

	Note	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Fixed assets					
Tangible assets	14	8,677	8,707	7,262	7,234
Investments	15	16,396	20,786	16,396	20,786
		<u>25,073</u>	<u>29,493</u>	<u>23,658</u>	<u>28,020</u>
Current assets					
Debtors	16	399	607	665	517
Cash at bank and in hand		719	924	719	924
		<u>1,118</u>	<u>1,531</u>	<u>1,384</u>	<u>1,441</u>
Creditors: amounts falling due within one year	17	(619)	(1,009)	(568)	(1,345)
Net current assets/(liabilities)		<u>499</u>	<u>522</u>	<u>816</u>	<u>96</u>
Total assets less current liabilities		25,572	30,015	24,474	28,116
Creditors: amounts falling due after more than one year	18	-	(5)	-	(5)
Net assets excluding pension liability		25,572	30,010	24,474	28,111
Defined benefit pension liability	23	-	-	-	-
Net assets	21	25,572	30,010	24,474	28,111
Charity funds					
General funds		6,500	9,372	6,500	9,372
Designated funds (including revaluation reserve £8,890,000 (2022: £9,962,000))		12,165	13,445	12,165	13,445
		<u>18,665</u>	<u>22,817</u>	<u>18,665</u>	<u>22,817</u>
Restricted funds		6,907	7,245	5,809	5,346
Total funds excluding pension reserves		<u>25,572</u>	<u>30,062</u>	<u>24,474</u>	<u>28,163</u>
Pension liabilities		-	(52)	-	(52)
Total charity funds	19	25,572	30,010	24,474	28,111

Signed on behalf of the Board of Trustees on 27 September 2023.



John Whitfield
Trustee



+Guli Chelmsford (Nov 22, 2023 16:37 GMT)

The Rt Rev Guli Francis-Dehqani
Trustee

The notes on pages 38 to 63 form part of these financial statements.

Company registration number: 00037169

Church Army (The)
Year Ended 31 March 2023

Group Statement of Cash Flows

	Note	2023 £000	2022 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,640)	(2,777)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(275)	(28)
Payments to acquire investments		-	(9)
Receipts from sales of investments		4,243	2,829
Interest received		-	1
Dividends received		16	43
Rents received from investment properties		451	458
Net cash flow from investing activities		4,435	3,294
Net (decrease)/increase in cash and cash equivalents		(205)	517
Cash and cash equivalents brought forward		924	407
Cash and cash equivalents carried forward		719	924
Cash and cash equivalents consist of:			
Cash at bank and in hand		719	924
		719	924

Church Army (The)
Year Ended 31 March 2023

Society Statement of Cash Flows

	Note	2023 £000	2022 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,640)	(2,777)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(275)	(28)
Payments to acquire investments		-	(9)
Receipts from sales of investments		4,243	2,829
Interest received		-	1
Dividends received		16	43
Rents received from investment properties		451	458
Net cash flow from investing activities		4,435	3,294
Net (decrease)/increase in cash and cash equivalents		(205)	517
Cash and cash equivalents brought forward		924	407
Cash and cash equivalents carried forward		719	924
Cash and cash equivalents consist of:			
Cash at bank and in hand		719	924
		719	924

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Church Army meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £'000.

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The company (referred to as the Society) includes the results of Church Army, its linked charities and special trusts as disclosed in note 20 to these financial statements.

(b) Funds

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

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

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

(c) Income recognition

All income is included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Similarly, no value is attached to gifts in kind that although graciously acknowledged, are not material for separate calculation or inclusion.

Notes to the financial statements

For Legacies, entitlement is the earlier of the charity being notified of an impending distribution with probate granted or the Legacy being received. At this point income is recognised. On occasion, Legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the Legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants under Supporting People funding operating within our homeless projects in London and Cardiff and No Recourse to Public Funds grants to support people in our homeless project in London. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes gains on disposals of tangible fixed assets and CJRS income which has been recognised in the period for which the claim was made.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities include office costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out centrally. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a headcount basis and other overheads have been allocated similarly.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Notes to the financial statements

(f) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets with a cost of less than £5,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and long leasehold land	Nil
Freehold buildings	75 years
Leasehold buildings	75 years or lease term if shorter
Freehold improvements	10 to 20 years
Other fixed assets	3 to 7 years

(g) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

(h) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case they are measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'net gains/losses on investments' in the Statement of Financial Activities. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

(j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(l) Creditors and provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements

(m) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(n) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(o) Employee benefits

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

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(p) Pensions

The charity operates two defined contribution plans for the benefit of some of its employees. Contributions are expensed as they become payable.

The charity operates a defined benefit plan (CAPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The charity also contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period.

(q) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(r) Going concern

The trustees have agreed a deficit operating budget of £3.5m for 2023-24 and has agreed significant investment into delivering a step-change in fundraising income in future years as part of our strategic plans to move towards financial sustainability. In addition to an annual budget the Board reviews and agrees a 3-year financial model that forecasts income and expenditure, taking into account strategic plans.

Reserves are in place to support the continued investment in the organisation's DARE strategy and the planned investment in delivering a step-change in fundraising over the next 3 years with the aim of moving towards operational financial sustainability by 2027.

Notes to the financial statements

(r) Going concern - continued

After making these appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

(s) Financial instruments

The Society holds a variety of basic financial instruments as part of its day-to-day activities, principally investments, bank deposits and accounts, and trade creditors and debtors. The investment managers at times use hedges as part of a cautious investment strategy to reduce the underlying risks in the portfolio, but do not actively seek to invest in hedge funds. The Society has no significant exposure to credit risk, liquidity risk or cash flow risk, and its price risk exposure largely relates to the value of investments. Investments are monitored by an investment committee and cash flow is monitored as part of the financial management of the Society's operation.

(t) Judgements and estimations policy

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The present value of the pension schemes both depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying value of the pension liabilities.

Other key estimates are property values and depreciation. The useful life and residual value of an asset is subject to judgement. Property values are also subject to judgement on their state of repair, future rental yield and estimated cost to sell.

2 Income from donations and legacies

	Group	Group	Society	Society
	2023	2022	2023	2022
	£000	£000	£000	£000
Donations	2,057	2,406	1,393	1,468
Legacies	260	428	260	428
	<u>2,317</u>	<u>2,834</u>	<u>1,653</u>	<u>1,896</u>

In 2023, of the total Group income from donation and legacies, £1,062k (2022: £1,359k) was to unrestricted funds and £1,255k (2022: £1,475k) was to restricted funds. Of the total Society income from donation and legacies, £1,062k (2022: £1,359k) was to unrestricted funds and £591k (2022: £537k) was to restricted funds.

Notes to the financial statements

3 Income from charitable activities

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Fees for services (Housing Benefit)	1,683	1,543	171	168
Contractual payments	697	712	697	712
Performance related grants (Supporting People)	466	455	215	205
Other statutory grants	-	12	-	-
Research and Training	45	63	45	63
	<u>2,891</u>	<u>2,785</u>	<u>1,128</u>	<u>1,148</u>

In 2023, of the total Group income from charitable activities, £371k (2022: £394k) was to unrestricted funds and £2,520k (2022: £2,391k) was to restricted funds. Of the total Society income from charitable activities, £371k (2022: £394k) was to unrestricted funds and £757k (2022: £754k) was to restricted funds.

4 Income from other trading activities

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Accommodation	282	144	282	144
Room hire	49	8	25	6
Catering	69	27	59	23
Other trading	-	-	-	-
	<u>400</u>	<u>179</u>	<u>366</u>	<u>173</u>

In 2023, of the Group income from other trading activities, £366k (2022: £173k) was attributable to unrestricted funds and £34k (2022: £6k) to restricted funds. All of the Society income from other trading activities, £366k (2022: £173k) was to unrestricted funds.

5 Income from investments - Group and Society

	Total 2023 £000	Total 2022 £000
Listed investments	16	43
Bank interest	-	1
Rental income	451	458
	<u>467</u>	<u>502</u>

In 2023, of the total Group and Society income from investments, £447k (2022: £478k) was to unrestricted funds and £20k (2022: £24k) was to restricted funds.

Notes to the financial statements

6 Other income

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
COVID grants	-	42	-	42
Other	42	31	41	21
	<u>42</u>	<u>73</u>	<u>41</u>	<u>63</u>

In 2023, of other Group income, £18k (2022: £53k) was attributable to unrestricted income and £24k (2022: £20k) restricted. Society income, £18k (2022: £53k) was attributable to unrestricted funds and £23k (2022: £10k) to restricted funds.

7 Expenditure on raising funds

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Costs of generating voluntary income	431	384	427	281
Costs of generating trading income	922	750	849	706
Investment and investment properties management costs	148	142	148	142
	<u>1,501</u>	<u>1,276</u>	<u>1,424</u>	<u>1,129</u>

In 2023, of Group expenditure on raising funds, £1,317k (2022: £1,034k) was unrestricted and £184k (2022: £242k) restricted. Society expenditure on raising funds, £1,317k (2022: £1,034k) was unrestricted and £107k (2022: £95k) to restricted funds.

8 Expenditure on charitable activities

Group	Activities Undertaken directly £000	Support costs £000	Total 2023 £000	Total 2022 £000
Centres of Mission	1,833	956	2,789	2,563
Fresh expressions	47	10	57	135
Other field evangelism	247	189	436	423
Homeless projects	3,280	387	3,667	2,956
Training	427	257	684	620
Dean of Community	271	143	414	362
National Operations	297	135	432	362
	<u>6,402</u>	<u>2,077</u>	<u>8,479</u>	<u>7,421</u>
2022	<u>5,615</u>	<u>1,806</u>	<u>7,421</u>	

Of the above costs £3,122k (2022: £2,748k) were attributable to unrestricted funds and £5,357k (2022: £4,673k) were attributable to restricted funds.

Notes to the financial statements

8 Expenditure on charitable activities (continued)

Society	Activities Undertaken directly £000	Support costs £000	Total 2023 £000	Total 2022 £000
Centres of Mission	1,833	956	2,789	2,563
Fresh expressions	47	10	57	135
Other field evangelism	247	189	436	423
Homeless projects	123	387	510	373
Training	427	257	684	620
Dean of Community	271	143	414	362
National Operations	268	135	403	362
	<u>3,216</u>	<u>2,077</u>	<u>5,293</u>	<u>4,838</u>
2022	<u>3,032</u>	<u>1,806</u>	<u>4,838</u>	

Of the above costs, £3,122k (2022: £2,748k) were attributable to unrestricted funds and £2,171k (2022: £2,090k) were attributable to restricted funds.

9 Allocation of support costs - Group and Society

	Total 2023 £000	Total 2022 £000
Senior management	343	229
Communications	374	245
Administration (finance/personnel/volunteering/IT)	965	937
Strategic development	155	217
General unrestricted costs	209	154
Welfare	18	8
Housing	13	16
Total	<u>2,077</u>	<u>1,806</u>

The allocation of support costs is in line with the accounting policy in note 1(e).

10 Other expenditure

	Group 2023 £000	Group 2022 £000	Society 2023 £000	Society 2022 £000
Trustee expenses	22	5	22	5
Auditor's remuneration	45	25	45	25
	<u>67</u>	<u>30</u>	<u>67</u>	<u>30</u>

In both years all the total Group and Society other expenditure was on unrestricted funds.

Notes to the financial statements

11 Net income/(expenditure) for the year

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£000	£000
Depreciation of tangible fixed assets	254	274
Auditor's remuneration - audit	35	18
Auditor's remuneration - non-audit	10	7

12 Trustees' and key management personnel remuneration and expenses

All 11 (2022: 13) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but incurred expenses totalling £8,289 (2022: £4,492) for filing fees, travel costs and residential training costs. As permitted by the Society's Articles of Association, during the year 3 (2022: 3) members of the Board who are, or were, Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £154,886 in total (2022: £123,594). 3 Board members benefited from contributions of £18,191 (2022: £15,961 for 2 Board members) to a defined contribution scheme.

The total amount of employee benefits received by key management personnel is £362k (2022: £331k). The Trustees consider its key management personnel comprises of the Senior Leadership Team made up of the Chief Operating Officer, the Director of Mission Operations, the Director of Community & Vocations and the Director of Learning and Development who are salaried employees.

The CEO is also a member of the board so his emoluments and pension contributions are included in both disclosures above.

Notes to the financial statements

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2023	2022
	£000	£000
Wages and salaries	3,850	3,783
Employer's NI	478	393
Employer's pension costs	298	318
	<u>4,626</u>	<u>4,494</u>
Agency staff costs	1,234	684
	<u>5,860</u>	<u>5,178</u>

The number of employees who received total employee benefits (excluding employer pension costs of more than £60,000) is as follows:

	2023	2022
	Number	Number
£60,001 - £70,000	-	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-

Total redundancy and termination payments amount to £30,432 (2022: £25,686).

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2023	2023	2022	2022
	Number	FTE	Number	FTE
Raising funds	38	19	40	20
Charitable activities	152	101	157	89
Support	15	7	18	13
	<u>205</u>	<u>127</u>	<u>215</u>	<u>122</u>

The above FTE numbers include 3.1 commissioned officers who are employed by the diocese in which they work but are partly or wholly funded by the Society. Part-time or part-funded staff are counted as appropriate fractions of a full-time or fully-funded post.

Church Army (The)
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Notes to the financial statements

14 Tangible fixed assets

Group	Land and buildings (at cost) £000	Land and buildings (valuation) £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:					
At 1 April 2022	7,285	976	2,705	1,139	12,105
Additions	-	275	-	-	275
Revaluation	-	11	-	-	11
Transfers to investment property	-	(62)	-	-	(62)
At 31 March 2023	7,285	1,200	2,705	1,139	12,329
Depreciation:					
At 1 April 2022	971	-	1,294	1,133	3,398
Charge for the year	97	-	155	2	254
Revaluation	-	-	-	-	-
At 31 March 2023	1,068	-	1,449	1,135	3,652
Net book value:					
At 31 March 2023	6,217	1,200	1,256	4	8,677
At 31 March 2022	6,314	976	1,411	6	8,707
Society	Land and buildings (at cost) £000	Land and buildings (valuation) £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:					
At 1 April 2022	5,943	976	2,320	460	9,699
Additions	-	275	-	-	275
Revaluation	-	11	-	-	11
Transfer to investment property	-	(62)	-	-	(62)
At 31 March 2023	5,943	1,200	2,320	460	9,923
Depreciation:					
At 1 April 2022	790	-	1,216	459	2,465
Charge for the year	79	-	117	-	196
Revaluation	-	-	-	-	-
At 31 March 2023	869	-	1,333	459	2,661
Net book value:					
At 31 March 2023	5,074	1,200	987	1	7,262
At 31 March 2022	5,153	976	1,104	1	7,234

Notes to the financial statements

14 Tangible fixed assets (continued)

The group has adopted a policy of revaluation for certain classes of tangible fixed assets within land and buildings. They have been valued at the balance sheet date at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. The Directors have adopted this basis of valuation.

The net book value of land and buildings comprised:

	Group		Society	
	2023	2022	2023	2022
	£000	£000	£000	£000
Operational properties (included above)				
Freehold	6,777	6,650	5,634	5,489
Long leasehold	640	640	640	640
	<u>7,417</u>	<u>7,290</u>	<u>6,274</u>	<u>6,129</u>
Investment properties (included in investments)				
Freehold	13,451	14,126	13,451	14,126
	<u>13,451</u>	<u>14,126</u>	<u>13,451</u>	<u>14,126</u>

The historic cost equivalent of land and buildings (including investment properties) included at valuation are as follows:

	Group		Society	
	2023	2022	2023	2022
	£000	£000	£000	£000
Cost	8,277	7,789	8,277	7,789
Depreciation	(1,909)	(1,880)	(1,909)	(1,880)
Net book value	<u>6,368</u>	<u>5,909</u>	<u>6,368</u>	<u>5,909</u>

Notes to the financial statements

15 Fixed asset investments

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Cost or valuation:				
At 1 April 2022	20,786	21,355	20,786	21,355
Additions	248	9	248	9
Disposals	(4,156)	(2,713)	(4,156)	(2,713)
Revaluation	(544)	2,135	(544)	2,135
Transfer from tangible fixed assets	62	-	62	-
At 31 March 2023	16,396	20,786	16,396	20,786

Investments at fair value comprise:

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Listed investments	2,945	6,660	2,945	6,660
Investment properties	13,451	14,126	13,451	14,126
	16,396	20,786	16,396	20,786

Investment properties are revalued every year at the balance sheet date to reflect market value. They have been valued at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. The Directors have adopted this basis of valuation.

The cost of fixed asset investments is £7,505,636 (2022: £10,824,312).

Principal subsidiaries

Portman House Trust operates the Marylebone Project and Church Army is the sole Trustee. The Trust is a Registered Provider of Social Housing registered with the Tenant Services Authority and registered with the Charity Commission through Church Army (registered number 226226, subsidiary 67).

Waterways Chaplaincy is a registered charity (registered number 1200492) and Church Army is the sole trustee.

The Society has two other subsidiary companies which have been dormant since incorporation and which have no paid-up share capital.

The financial results of the active subsidiaries for the year were:

Name	Income £000	Expenditure £000	Profit(Loss) for the year £000	Net assets £000
Portman House Trust	2,409	(3,233)	(824)	1,075
Waterways Chaplaincy	53	(29)	24	24

Notes to the financial statements

16 Debtors

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade debtors	235	271	207	183
Other debtors	8	21	6	19
Prepayments and accrued income	156	315	156	315
Amounts owed by subsidiary undertakings	-	-	296	-
	<u>399</u>	<u>607</u>	<u>665</u>	<u>517</u>

17 Creditors: amounts falling due within one year

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors	189	522	186	494
Other tax and social security	118	111	118	111
Amounts owed to subsidiary undertakings	-	-	-	364
Amount due to Church Army Pension Scheme	(124)	(29)	(124)	(29)
Other creditors	208	97	208	97
Accruals and deferred income	228	261	180	261
C of E pension scheme (note 23)	-	47	-	47
	<u>619</u>	<u>1,009</u>	<u>568</u>	<u>1,345</u>

Deferred income

	Group 2023 £000	Society 2023 £000
Opening deferred income	37	37
Resources deferred during year	64	20
Amounts released from previous years	(37)	(37)
Closing deferred income	<u>64</u>	<u>20</u>

Deferred income relates to grant income received in advance.

18 Creditors: amounts falling due after more than one year

	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
C of E pension scheme (note 23)	-	5	-	5
	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>

Church Army (The)
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Notes to the financial statements

19 Charity Funds - current year

	1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2023 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,234	-	(254)	282	-	7,262
DARE strategy	6,211	546	(1,231)	(623)	-	4,903
Total designated funds	13,445	546	(1,485)	(341)	-	12,165
Free reserves	9,372	1,718	(3,021)	(1,071)	(498)	6,500
Total unrestricted funds	22,817	2,264	(4,506)	(1,412)	(498)	18,665
Restricted funds						
Portman House Trust	1,898	2,409	(2,878)	(354)	-	1,075
Waterways Chaplaincy	-	53	(29)	-	-	24
Special trusts including linked charity:						
Discretionary Grant Fund	952	-	(18)	-	10	944
Gurney Trust	2,106	-	-	-	7	2,113
Ketterson	193	-	-	-	(6)	187
Tebbs	169	-	-	-	(4)	165
Other restricted funds including linked charity:						
Retirement fund	1,758	20	(8)	-	(42)	1,728
Greenwich Centre of Mission	29	-	-	-	-	29
YSRF Small Grant	12	4	(12)	-	-	4
Amber/Hussey fund	-	248	-	-	-	248
Frontline activities	-	751	(2,230)	1,479	-	-
Other	128	368	(393)	287	-	390
	7,245	3,853	(5,568)	1,412	(35)	6,907
CAPS pension liability	-	-	(2)	-	2	-
CoE pension liability	(52)	-	52	-	-	-
Total restricted funds	7,193	3,853	(5,518)	1,412	(33)	6,907
Total funds	30,010	6,117	(10,024)	-	(531)	25,572

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Notes to the financial statements

19 Charity Funds - prior year

	as restated 1 April 2021 £000	Income £000	Expenditure £000	as restated Transfers £000	Gains/(losses) £000	31 March 2022 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,327	-	(204)	111	-	7,234
DARE strategy	6,670	725	(1,184)	-	-	6,211
Total designated funds	13,997	725	(1,388)	111	-	13,445
Free reserves	9,297	1,732	(2,424)	(1,034)	1,801	9,372
Total unrestricted funds	23,294	2,457	(3,812)	(923)	1,801	22,817
Restricted funds						
Portman House Trust	2,038	2,590	(2,386)	(353)	9	1,898
Special trusts including linked charity:						
Discretionary Grant Fund	885	-	(8)	-	75	952
Gurney Trust	1,964	-	-	-	142	2,106
Ketterson	157	-	-	-	36	193
Tebbs	145	4	-	-	20	169
Other restricted funds including linked charity:						
Retirement fund	1,606	20	(15)	-	147	1,758
Greenwich Centre of Mission	29	-	-	-	-	29
Frontline activities	-	1,240	(2,516)	1,276	-	-
Other	138	62	(60)	-	-	140
	6,962	3,916	(4,985)	923	429	7,245
CAPS pension liability	(636)	-	23	-	613	-
CoE pension liability	(104)	-	52	-	-	(52)
Total restricted funds	6,222	3,916	(4,910)	923	1,042	7,193
Total funds	29,516	6,373	(8,722)	-	2,843	30,010

Notes to the financial statements

19 Charity Funds (continued)

Reserves	Group		Society	
	2023 £000	2022 £000	2023 £000	2022 £000
Income and expenditure account	8,520	11,483	7,422	9,584
Revaluation reserve	17,052	18,579	17,052	18,579
Pension reserve	-	(52)	-	(52)
	<u>25,572</u>	<u>30,010</u>	<u>24,474</u>	<u>28,111</u>

The designated funds comprise the amounts tied up in fixed assets (net of any related borrowing) plus an amount set aside for commitment to the DARE strategy.

Portman House Trust, a subsidiary, operates the project for homeless women at Marylebone.

The Discretionary Grants Fund is an amalgamation of various restricted funds for the welfare of current and retired officers and staff.

The Gurney Trust is for the benefit of women in need, and the income from its investments provide additional income for the Marylebone Project.

Ketterson Trust is historically linked with work in Northern Ireland.

Tebbs trust is an historic fund established to support 'general religious purposes'.

The retirement fund is to support retired officers and widows of commissioned officers, the fund is made up of properties bequeathed to Church Army or subsequent properties purchased with the proceeds, and a small cash holding.

Greenwich Centre of Mission, Frontline activities (money given specifically for frontline activities) and other restricted funds are used to fund specific projects in accordance with the instructions of the donors, settlors or Trustees.

Waterways Chaplaincy activities were acquired from EPI Ltd t/a Workplace Matters on 1 Jan 2023 and integrated them into Church Army - the activities are run through a separate charity of which Church Army is the sole trustee.

YRSF Small Grant is funding received from the Welsh Government to safeguard an Amber Project Support Worker post.

Amber/Hussey fund is a residential property which was donated to Church Army. The income from which is restricted to support the work of the Amber project, although in the event of that project ceasing the monies can be used to support young people in need.

Transfers have been made between funds for the following:

- contribution to frontline activities from General Funds
- to reflect the changes in operational property and other fixed assets designated funds
- to account for management charges between Portman House Trust and Church Army
- to reflect a change in designated funds.

Notes to the financial statements

20 Special trusts and linked charities

Over many years, Church Army has been appointed to, and continues to administer a number of special trusts, many of which have now expired, but some still exist and are managed in furtherance of the purpose under which they were established.

Within these trusts are two that are linked charities per The Charity Commission website. The Hearn Fund (included within the retirement fund) and The Patterson Holiday Fund (included within the discretionary grant fund). These linked charities and special trusts are combined within the Church Army's results and are accounted for as a component of restricted funds. Separate accounts are not maintained but are recorded so they can be isolated for monitoring and reporting purposes.

The activity and funds held by each linked charity are as follows:

	The Hearn Fund £000	The Patterson Holiday Fund £000
Funds at 1 April 2022	205	184
Income	-	-
Expenditure	-	-
Gains/(losses)	2	2
Funds at 31 March 2023	<u>207</u>	<u>186</u>

21 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,262	1,415	8,677
Investments	12,655	3,741	16,396
Current assets	(1,053)	2,171	1,118
Creditors due within one year	(199)	(420)	(619)
Creditors due after more than one year	-	-	-
Total	<u>18,665</u>	<u>6,907</u>	<u>25,572</u>

Prior year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,234	1,473	8,707
Investments	16,175	4,611	20,786
Current assets	342	1,189	1,531
Creditors due within one year	(934)	(75)	(1,009)
Creditors due after more than one year	-	(5)	(5)
Total	<u>22,817</u>	<u>7,193</u>	<u>30,010</u>

Notes to the financial statements

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

Group	2023 £000	2022 £000
Net income/(expenditure) for the year	(4,451)	(214)
Rents received from investment properties	(451)	(458)
Income from investments	(16)	(44)
Depreciation of tangible fixed assets	254	274
Losses/(gains) on investments	544	(2,135)
Donated investment property	(248)	-
Profit on disposal of investments	(85)	(116)
Movement in defined benefit scheme funding	-	(23)
Movement in CoE pension scheme	(52)	(52)
Decrease in debtors	208	51
Decrease in creditors	(343)	(60)
Net cash flow used in operating activities	<u>(4,640)</u>	<u>(2,777)</u>

Society	2023 £000	2022 £000
Net income/(expenditure) for the year	(3,650)	(75)
Rents received from investment properties	(451)	(458)
Income from investments	(16)	(44)
Depreciation of tangible fixed assets	196	216
Losses/(gains) on investments	544	(2,135)
Donated investment property	(248)	-
Profit on disposal of investments	(85)	(116)
Movement in defined benefit scheme funding	-	(23)
Movement in CofE pension scheme	(52)	(52)
(Increase)/decrease in debtors	(148)	58
Decrease in creditors	(730)	(148)
Net cash flow used in operating activities	<u>(4,640)</u>	<u>(2,777)</u>

Analysis of changes in net debt - Group and Society

	At 1 April 2022 £000	Cash Flows £000	At 31 March 2023 £000
Short term borrowings	-	-	-
Total liabilities	-	-	-
Cash at bank	924	(205)	719
Total net debt	<u>924</u>	<u>(205)</u>	<u>719</u>

Notes to the financial statements

23 Pensions and other post-retirement benefits

Church Army Pension Scheme (CAPS)

Church Army operates the Church Army Pension Scheme (the Scheme), a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members: Active members: currently employed by the Church Army and accruing benefits in the Scheme Deferred members: former active members of the Scheme who are not yet in receipt of a pension Pensioner members: in receipt of pension.

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 31 March 2020. This valuation revealed a funding shortfall of £657,000.

With effect from 1 April 2021, Church Army agreed to pay annual contributions of £50,000 - split as: £37,500 in respect of the deficit in the Scheme; and 30.6% pensionable salary (expected to average £12,500 per annum over the period of the Recovery Plan) to meet the cost of future accrual of benefits for the remaining active member.

These contributions are expected to be paid until 30 September 2028. Church Army has also agreed to contribute additional payments of £50,000 per annum to meet the expenses of administering the Scheme and the cost of levies, where such expenses are met from the Scheme assets. Church Army therefore expects to pay a total of £100,000 to the Scheme during the accounting year beginning 1 April 2023. A formal actuarial valuation is being carried out for the Trustees as at 31 March 2023.

Church of England Funded Pensions Scheme (CEFPS)

Commissioned staff are members of the Church of England Funded Pensions Scheme administered by the Church of England Pensions Board which holds the assets of the schemes separately from those of the Responsible Bodies. The total contribution to this scheme during the year was £210k (2022: £240k).

Stakeholder Scheme provided by Clerical Medical

The stakeholder scheme was established to meet statutory legislation ruling at the time and provide pension provisions for new and existing employees who were not eligible to join the CEFPS or CAPS schemes. The total contribution to this scheme during the year was £18k (2022: £19k).

Auto-enrolment scheme provided by People's Pension (B&CE)

The auto-enrolment scheme was established to conform to current legislation regarding the provision of pension opportunities to all qualifying employees. The total contribution to this scheme during the year was £70k (2022: £59k).

The defined contribution expenses are allocated to activities per staff allocation and all expenses and liabilities are allocated to restricted funds.

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS)

The total cost recognised in the period was as follows:

	2023 £000	2022 £000
Past service cost	6	-
Current service cost	15	15
Admin costs, past introductions, changes, curtailments and settlements	81	50
Net interest (income)/expense	-	12
	<u>102</u>	<u>77</u>
Recognised in net income/expenditure	102	77
Recognised in other (gains)/losses	(2)	(613)
	<u>100</u>	<u>(536)</u>

The surplus/(deficit) at the balance sheet date is as follows:

	2023 £000	2022 £000
Fair value of plan assets	8,017	10,115
Present value of funded obligations	(7,505)	(9,581)
	<u>512</u>	<u>534</u>
Net pension surplus/(deficit)	512	534

The net pension surplus in the current year, in accordance with FRS 102, is not recognised in the balance sheet as the company is unable to recover this surplus from the pension scheme.

Changes in the fair value of the pension plan assets were as follows:

	2023 £000	2022 £000
Opening plan assets	10,115	9,584
Interest income	253	179
Actual return on plan assets (excluding interest income)	(1,901)	693
Administration expenses	(81)	(50)
Contributions by charity	100	100
Contributions by scheme participants	3	2
Benefits paid	(472)	(393)
	<u>8,017</u>	<u>10,115</u>
Closing plan assets	8,017	10,115

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Changes in the present value of the defined benefit obligations were as follows:

	2023 £000	2022 £000
Opening defined benefit obligation	9,581	10,220
Current & past service cost	555	15
Interest expense	253	191
Contributions by scheme participants	3	2
Benefits paid	(472)	(393)
Actuarial (gains)/losses	(2,415)	(454)
	<u>7,505</u>	<u>9,581</u>
Closing defined benefit obligation	<u>7,505</u>	<u>9,581</u>

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2023 £000	2022 £000
Bonds	635	813
Cash	47	(39)
Pooled investment vehicle	3,241	5,015
Liability driven investments	1,704	1,932
Diversified credit funds	2,390	2,394
	<u>8,017</u>	<u>10,115</u>

The return on plan assets was as follows:

	2023 £000	2022 £000
Interest income	253	179
Actual return on plan assets (excluding interest income)	(1,901)	693
	<u>(1,648)</u>	<u>872</u>
Total return on plan assets	<u>(1,648)</u>	<u>872</u>

The principal actuarial assumptions used were as follows:

	2023	2022
Discount rate	4.7%	2.7%
RPI inflation	3.2%	3.8%
CPI inflation	2.8%	3.3%
Expected rates of salary increases	2.5%	3.1%
Expected rates of pension increases RPI linked	3.2%	3.8%
Expected rates of pension increases CPI linked	2.8%	3.3%
Expected rates of pension increases (5% or RPI if less)	3.1%	3.7%
Expected rates of pension increases (5% or CPI if less)	N/A	3.2%

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Mortality after retirement	100% S3PMA_H/100% S3PFA_M CMI_2021_M/F [1.25%] (yob)	100% S3PMA_H/100% S3PFA_M CMI_2021_M/F 1.25% (yob)
Mortality before retirement	As per post retirement	As per post retirement
Life expectancy for a current individual aged 65:		
Males	19.8 (2022: 19.7)	
Females	23.8 (2022: 23.8)	
Life expectancy at age 65 for a current individual aged 45:		
Males	21.2 (2022: 21.2)	
Females	25.3 (2022: 25.2)	

Church of England Funded Pension Scheme (CEFPS)

The total movements recognised in the period were as follows:	2023	2022
	£000	£000
Net interest income/expense	-	-
Deficit contribution paid	(29)	(47)
Re-measurement of the balance sheet liability	(23)	(5)
Total	(52)	(52)

Church Army participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year and were £210k (2022: £240k), of which £29k (2022: £47k) were towards the scheme deficit.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
	£000	£000
Opening balance sheet liability	52	104
Deficit contribution paid	(29)	(47)
Interest cost (recognised in SOFA)	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	(23)	(5)
Closing balance sheet liability	-	52
Split of liability:	2023	2022
	£000	£000
Creditors: amounts falling due within one year (note 17)	-	(47)
Creditors: amounts falling due after more than one year (note 19)	-	(5)
	-	(52)

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

Notes to the financial statements

23 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) continued

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known:

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Church Army could become responsible for paying a share of that Responsible Body's pension liabilities.

24 Operating lease commitments

At 31 March 2023 the group had lease agreements in respect of various properties, for which the payments extend over a number of years. The total future minimum lease payments are as follows:

	2023 £000	2022 £000
Not later than one year	19	45
Later than one and not later than five years	-	6
Later than five years	-	-
	19	51

The lease payments recognised as an expense in the year were £51k (2022: £152k).

25 Capital commitments

There are capital commitments of £12k for refurbishment at the Sheffield premises as at 31 March 2023 (2022: £nil).

26 Contingent assets

As at the reporting date, it is probable that an additional legacy of approximately £10k is to be received. This has not been included within accrued income, as although the income is probable and the charity has entitlement, the amount has not yet been confirmed.

A balance is also probable from WITH Community relating to part payment of balances owed, however this distribution has not yet been confirmed. This balance may range from £Nil to £90k.

A further amount is also likely to be received from the previous charitable organisation who ran the Waterways Chaplaincy before it become a new subsidiary charity of Church Army. The maximum amount of this distribution may be £35k but the amount has not yet been agreed and therefore not included within these financial statements.

Notes to the financial statements

27 Related party transactions

Trustee and key management personnel transactions are disclosed in note 12.

Transactions with the Church Army Pension Scheme (CAPS) are disclosed in note 23. At the year end a balance is due to the scheme of £nil (2022: £nil).

Church Army acts as sole trustee to Portman House Trust and also landlord for two of the three properties which make up the project. The rent for the properties is negotiated on an arm's length basis using third party professional valuations and on a five yearly review cycle, in the year 2022/23 rent amounted to £234k (2022: £234k). Church Army also apportions some of its own administrative and management costs to the Portman House Trust covering services such as building management, health and safety, accounting and payroll which are calculated on a time basis as is senior management. Group incurred insurance is apportioned based on employee costs. The total of these recharges for the year was £120k (2022: £120k).