

**Church Army (The)
Reports and Financial Statements
Year Ended 31 March 2024**

Charity registration numbers:

England & Wales: 226226

Scotland: SC040457

Republic of Ireland: 20152604

Company registration number: 37169

**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
Year Ended 31 March 2024**

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**Church Army (The)
Trustees' Annual Report (Including Directors' Report and Strategic Report)
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Patron	His Majesty King Charles III
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 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 Rt Rev Guli Francis-Dehqani Honorary Treasurer: John Whitfield The Rt Rev Alan Abernethy (resigned 25 March 2024) Rev Jude Davis (appointed 1 June 2024) Ravi Gidoomal Amy Hayes CA The Right Rev Saju Muthalaly (appointed 22 November 2023) Dr Sol Osagie The Rt Revd Joanna Penberthy (resigned 3 August 2023) Mark Preston (appointed 5 October 2023) The Ven Dr Peter Rouch (resigned 31 May 2024) Patricia Russell Rosie Slater-Carr Sister Karen Webb CA Captain Andrew Payne CA Rev Karen West
Chief Executive	The Ven Dr Peter Rouch (resigned 31 May 2024) Rev Jude Davis (appointed Interim CEO 1 June 2024)
Company Secretary	Robin Webb
Senior Leadership Team	The Ven Dr Peter Rouch Chief Executive (resigned 31 May 2024) The Rev Jude Davis Director of Community and Vocations (appointed Interim CEO 1 June 2024) 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 & Support 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
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
Charity registration numbers	England & Wales: 226226 Scotland: SC040457 Republic of Ireland: 20152604
Company registration number	37169
Company Branch registered in the Republic of Ireland	909766

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2024

Introduction

Since 1882 Church Army have been innovators and pioneers in evangelism. From the early days of our founder Wilson Carlile to the work that we are doing today we have always sought to use our resources to the purpose of seeing individuals come to a personal faith in Jesus Christ, and have their lives transformed.

2023-2024

Evangelism- sharing God's love in words and action- is what we do. Church Army are the experts, the pioneers, the innovators, the teachers, the practitioners, the advocates, and the encouragers of evangelism. And in the year '23-'24 some of the highlights were...

Centres of Mission

We saw our evangelists continue to change lives and invite people to faith through their lives lived in the communities where our Centres of Mission are based. We have continued to review, research, and record the work done by these teams to ensure that we can maximise their effectiveness, and share the lessons they have learned with others.

Missional Youth Church Network

With a generous grant from the national church, we were able to develop learning from an existing part of work and see it transformed into a network of 44 Missional Youth Churches working in some of the most deprived areas of England. The network is on track to meet its target of 125 missional youth churches by the end of the decade.

Key Projects

We worked, and our working, hard to discover exactly what makes our key projects so special and impactful in how they change people's lives. That work has been to develop clear a clear 'theory of change' for each project so that we can measure outcomes effectively.

Fundraising

We began to see our fundraising capacity grow with new team members joining and as a result far more activity happening. Our fundraising team are working hard to get the message of our work out there so that more people have the opportunity to join our army of hope, igniting faith and transforming lives.

Training and Resourcing

At the end of 3 or 4 years training we had the great joy to commission 15 new Church Army Evangelists. Sending them out across the nations to put their learning into practice and to share their learning with those around them, raising up new evangelists and workers contributing to our vision to see more people know the love of God. The initial training that formed our fantastic fifteen commissioned evangelists isn't the only way we equipped and empowered evangelists over the 23-24 year. We continued raising up and inspiring a far wider network of evangelists through Envoy, Lead, and Faith Empowered. All reaching more participants than previous years and resourcing people to be the best they can be at sharing the good news of God's love.

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.

The Future

All this work was completed under the direction and leadership of my predecessor, Peter Rouch. Peter steered the Church Army ship through the choppy waters of a post pandemic world, and we wish him every success in his new role at Mission to Seafarers.

At the time of writing, the Board of Trustees are engaged with searching for a permanent replacement and I sit in the position of Interim CEO. This is a period when ordinarily pace may slacken and decisions deferred for the new postholder, however this has not been Church Army's choice.

The financial challenges highlighted in our accounts show that the pace for decisions cannot slow, and it is more important than ever for Church Army to be clear about its priorities, focus, and direction.

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In the intervening months between the end of the financial year and the presentation of this report, the senior leadership team and the trustees have been working hard to agree those priorities, focus, and direction. The priority is clear: evangelism in areas of deprivation. We need to continue to develop our expertise and the networks through which we can share that expertise with evangelists and those passionate about evangelism.

Over the next year, we have some difficult decisions to take to maximise our impact in achieving our charitable object: to bring people to a personal faith in Jesus Christ.

Today

Today, I thank all those who have walked the journey with us so far. You are the army of hope who are bringing life, love, and faith, to those who need it most: thank you. We need you to stay with us, stay supporting us, stay praying for us, stay inspiring us, stay cheering us on because the journey ahead is a tough one, but the destination is worth it... more and more people's lives transformed by the love of God shared by evangelists working in their local communities.

**Jude Davis
Interim CEO**

Church Army (The) Trustees' Annual Report (Including Directors' Report and Strategic Report) Year Ended 31 March 2024

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 2024. 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*, *Ty Bronna*, *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.

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Objective 1: Doing Evangelism

Statistical Highlights of Centres of Mission (CoM) 2023/24. In the financial year 2023/24 there were 32 active CoMs. During this year, 2 CoMs closed, and 1 CoM opened.

Quantitative data was collected from CoMs at three time-points during the year. 14 CoMs responded at every collection time-point and 9 didn't respond at all throughout the year. The remaining CoM were somewhere in between and provided data at some but not all of the time-points.

Please note that these figures are projections. When a full set of data was not submitted by a CoM, then figures have been extrapolated to predict totals for the activity across the whole year. Similarly, for those CoMs that did not submit any data across the year, their figures have been estimated based on an 'average' of the other CoMs.

Headlines

Activity

- CoMs have delivered over 28,000 hours of organised activity this year
- This is more than 2,300 hours every month
- Or 3,500 days in the year (assuming an 8-hour day of activity)
- School assemblies are run by 29% of CoM and have been attended by nearly 3,000 children which means that 9% of people our CoMs interact with are at school assemblies.
- There will almost certainly be other activities that the CoM are involved in that are less organised and so not recorded here (e.g. pastoral and crisis support)
- CoMs have interacted with more than 32,000 people over the year

Provision

- Every CoM (that responded) are involved with food provision in some form and in total have provided/distributed 33,400 meals or boxes of food in the last year.
- CoMs also provide other essential items such as baby equipment, hygiene packs and furniture. In total they have distributed nearly 2,500 items.

Signs of Faith

More 'formal' signs of faith

- CoMs were involved in over 80 baptisms of children or adults
- CoMs were involved in 40 infant baptisms or thanksgivings
- Nearly 50 people have gone forward for confirmation from CoMs

Funerals

- 42% of CoMs report that they have been involved in assisting with or conducting a funeral - this is evidence of the huge level of trust and value of the CoM within their community. In total there have been 32 funerals.

Exploring and growing in faith

- CoMs report that 500 people are exploring faith with them
- And nearly 750 people are growing in faith with them
- It should be noted that CoMs often had different understandings of what was meant by these terms

Faith commitments

- CoMs have seen 120 make a faith commitment for the first time this year
- And nearly 70 rediscovered their faith or make a recommitment of faith
- It should be noted that some CoMs responded that they found it hard to know whether to include figures for children who responded to wanting to 'pray the prayer' in a large corporate setting e.g. a holiday club - generally these figures were not included.

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Volunteering

- There were 560 volunteers across all CoM
- The 'average' CoM had 17 volunteers, although in reality this ranges from 1 to 37
- The Christian/Church-background of volunteers is:

Regular churchgoer 70%

Occasional churchgoer 10%

Historical churchgoer 2%

Never church-goer 19%

This means that 30% of CoM volunteers are not regular churchgoers.

Missional Youth Church Network (MYCN):

At the beginning of 2024 MYCN came fully into Church Army - formerly this was 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. Missional Youth Churches enable 11-18-year-olds to build community and discover faith in Christ, and each is particular to their own context.

Missional Youth Churches have this year received backing and financial support from the Church of England which will enable MYCN to grow the team and the strategy to increase the Missional Youth Churches to 65 by 2027 and 125 by the end of the decade. We are on target to hit these targets as MYCN have grown from 30 at the end of 2023 to 44 by April 2024.

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.

During December 2023 Sorted in Bradford, which was the first Missional Youth Church, had two baptisms, three confirmations and several other young people considering getting baptised.

Another Missional Youth Church is based in Greenwich and is in Abbey Wood estate. It is known locally as Transform Youth Ministries, TYM has developed a youth church for young people from the estate. A young offender who was sent to jail at the age of 14 for armed burglary and after became a Christian and is in touch with TYM. A young gang member has become an enthusiastic youth church member. This youth church is a haven for young people with special needs.

- 15 young people at both the Friday night drop in and Tuesday night faith discussion groups
- 8 young people are now ready for baptism.

Karen who leads TYM says, 'I feel called to be part of MYCN, I need to learn from their experience and examples from other people doing this in other places so I can keep the vision on track in south London...'

A young person says, "My church is Sorted Church which is in Bradford. It's one of the weirdest places I've ever been to but it's one of the most welcoming places I've ever been to. It's like a big, massive family. We have people that come from different places coming together to worship our amazing Lord. I love building relationships, getting to know more about them and struggles and helping them through those struggles. I love the training, and I love the worship sessions, they're good."

A young leader says, "The church I go to is based in West Cumbria in a town called Whitehaven... and a youth group I volunteer at as a leader is called Ignite at my church and it was made to bring more young people into the church and I think there's groups all over the country, Missional Youth Church Network... and I went right through Ignite from the age of 10 and now I'm 18 and I'm a young leader... It's just really fulfilling; it's just great seeing young people wanting to learn about Jesus..."

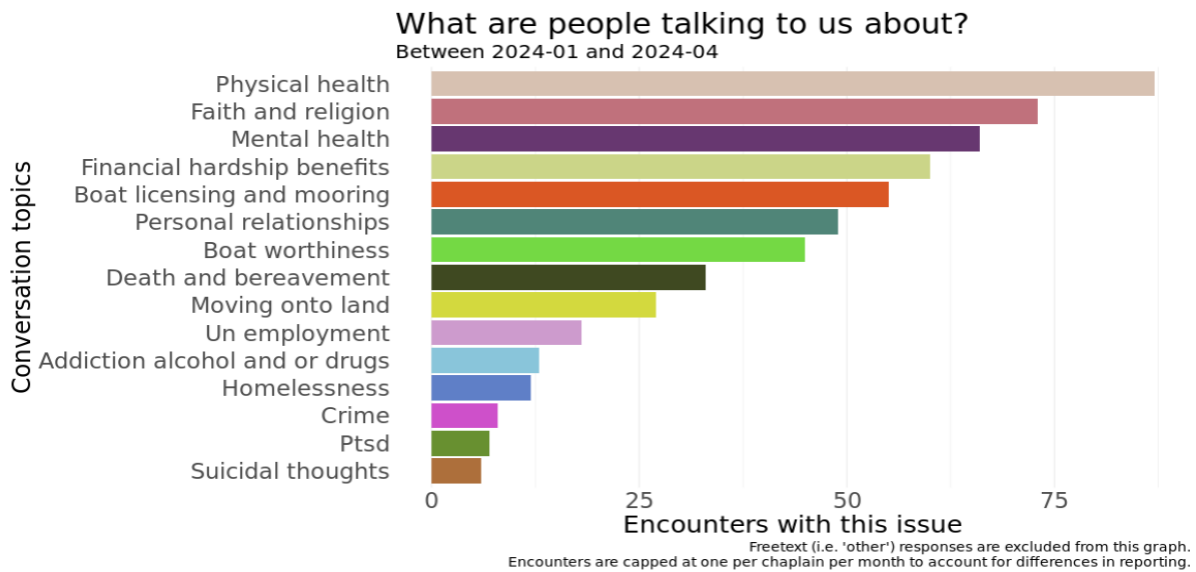
Waterways Chaplaincy (WWC) April 2023-April 2024

Our first full year as an independent charity within the family of the Church Army, and it has been an important year. We have seen changes of personnel and of procedures, but our transformative chaplaincy work among those on the waterways of the UK has remained unchanged and is as important as ever.

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Rev Mark Chester (National Lead) retired after 7 years at the helm in July 2023. He was succeeded by Rev Chris Upton. Chris is a Baptist minister who grew up on an island and has a degree in Naval Architecture among other things. Rev Sarah Hayes (southern lead) retired in January 2024 and is succeeded by Rev Mark Macaulay. Mark is also a Baptist minister. These significant appointments underline that although the WWC is held by the Anglican CA, it is an ecumenical charity that draws inspiration from across the church spectrum. Roger Bauckham (admin/website administrator) also retired in January and is yet to be replaced.

The WWC has been featured on the BBC Sunday Morning program, in the Church Times and other publications. WWC is still working hard to create a stable funding base. Our current funding has come from three separate charitable trusts, but these are coming to an end. We are working with CA fundraisers but the transition to CA and the current governance structure seems to be hindering us. We are very thankful for all the support we receive from CA and are still confident that the move from Workplace Matters was well advised.



A typical request that come to us through the website this year:

- 1) **Message:** I don't know if you can help me or not but I'm in a really bad situation. My boat has no heating, electric or water and my engine isn't working. I had a mechanic out, but he has to come back. In the meantime, I'm suffering from pretty serious harassment from one of the boats squatting in the area. The police have been involved but done nothing. He's threatening me, he's taken my rubbish and dumped it somewhere and reported me for fly tipping. He's called Canals and Rivers Trust (CRT) and reported me and I don't even know what for. He's recording me on CCTV and it threatening to put my details on social media. My ex-partner is violent, and I keep myself hidden, if he puts that out there and my ex sees it, he's going to know where I am. I'm scared and I don't know what to do. I've got multiple disabilities both mental and physical and the only reason I haven't committed suicide is my dogs. I've asked the council for help and got nothing. I've had a horrendous run of luck and have reached the end of my tether. I can't see a way out of this, and I can't take much more. I've handed my notice in on the mooring I had here, and CRT have released me, but now I have to move and obviously can't with my engine not working. I'm not even sure what you can do, but someone suggested I contact you so I am.

A comment from a chaplain:

From a website referral, I went to visit boater J. J has an ADHD problem and is receipt of medication that lowers his self-esteem. This in turn has led to an alcohol addiction and consequently is. for the time being at least unemployable. His Universal Credit is on minimum and probably too much of what he does receive is spent on alcohol. The day I met him he had no food and only one set of clothes, those that he was wearing. I arranged a foodbank parcel (twice), and it was an easy task to appeal to the local churches for clothes. I received in total five large bags of clothes, some of which were brand new and bought especially for him, including a blanket, towels and a desperately needed pair of size 14 shoes!

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Centres of Mission

Despite all the challenges of the past 12 months we have maintained 29 Centres of Mission throughout the UK and Ireland and launched a new Centre in Sunderland in partnership with Durham diocese. 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 15 Centres of Mission in Attercliffe and Darnall (Sheffield), Gloucester, Langley, Scunthorpe, Sheffield, Bradford (Sorted), Leeds, Rochdale, Selby, Suffolk, Greenwich, Medway, Southampton, Sunderland and North Sutton.
- In Wales we have 10 commissioned evangelists and 6 Centres of Mission in Cross Hands, Haverfordwest, Llandaff, Llanelli, North Coast of Wales and Wrexham.
- In Scotland we have 5 commissioned evangelists and 3 Centres of Mission in 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.

Mike Reeder has been a commissioned Church Army Evangelist for 37 years and has for the last seventeen years been the Senior Chaplain at St Luke's Hospice Sheffield. The Hospice opened on 1st October 1971 and was the first Hospice to be built outside London. As a member of the chaplaincy team Mike's role is to support the work of the Hospice within the Community of Sheffield, the hospice supported 1,762 patients in 2023-24

The work of the chaplaincy is to support people of faith and none, the chaplaincy is to be a safe place for patients to explore their feelings and to bring some measure of hope into what is often dark times. For example, Mike is supporting a patient who has Motor Neurone Disease (MND) and together they have been exploring what it means to be a Christian and a human being when you are not able to do anything for yourself. Mike is helping the patient to comprehend the future and where the love of God is within such a debilitating disease.

From time-to-time Mike will be asked by patients or relatives to take non-religious funerals for them or their loved one. Mike always says yes to this very personal request of support and takes the opportunity within the services to talk about his own personal faith in God the Father, Son and Holy Spirit in a loving and personal way and shares how that sustains him in his work, but goes on to say each time that this is his way of coping, each person at the service has to find their own way of coping with death and bereavement. Mike says that he has never been told off for bring his own personal beliefs into the service but has been thanked for helping people to know that they do have to find a way to continue the life that is left to them.

Mike is passionate about the work of the Church Army and Wilson Carlile's commitment to follow Jesus in reaching "the least, the last and the lost".

Marylebone Project

Sue Way, our Senior Homelessness Manager, has been leading the Marylebone Project team for the past nine years and, due to staff absences, she started the financial year providing the day-to-day management oversight to the project.

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Following the resignation of the General Manager in January 2023, the external management review and appointment of the permanent Operations Manager and Services Manager, the review identified that, to complete the necessary Senior Leadership Team and management structure, an Executive Manager was required. Amy Hull was appointed to this position and started formally in this role on 1st December 2023. Amy was previously the Resettlement Manager, and she returned from maternity leave to her role of Resettlement Manager before applying for the role of Executive Manager and being appointed. Having Amy in the role of Executive Manager has meant that from 1st December 2023 Sue has not been needed to provide the day-to-day management oversight of the Project. Sue has, however, been on hand to support Amy in settling into the Executive Manager role and assist in whatever way has been required.

This past year has, therefore, seen a change in the leadership of the Project, with a review and renewal of the Project's ethos, vision, values and mission. Work has started on the Project's strategy for the coming years, in line with Church Army's wider strategy and all key Projects are developing a theory of change model for the Projects going forward.

With the input of the Marketing Co-Ordinator and the developing The Theory of Change Model, Church Army is being better equipped to promote the work of the Project and celebrate the variety of work and achievements that the Project delivers.

The Social Enterprise Administrator continues to rebuild the client base, source new business and work to achieve the specific business targets set for the Social Enterprise of Space and Munch. The main target is to have at least one space room booking per week and this has been achieved for almost every week of the year, with some 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.

The Sanctuary remains a 24/7 service for women in crisis and continues to see some overall changing clientele, with some women moving on into independence, some new women accessing the support and some women accessing the support regularly every week. The past year has seen an increase in the number of women who are inappropriately housed and needing the facilities provided by the Sanctuary weekly, and an increase in the complexity of the needs of the women presenting, including those fleeing domestic abuse. This has proved to be a challenge for the staff team in managing the regular attendees and ensuring that their needs are being met as required, whilst also responding to the unexpected needs and situations resulting from more women being present with more intense complex needs. An Independent Domestic Violence Advocate specialism has been created within the staff team to specifically support those women fleeing domestic abuse. We are continuing to conduct regular reviews, ensuring that the service provided meets the needs of the changing clientele and continues to be the best service that it can be for the women it serves, whilst also assessing whether these changes are in-keeping with the Project's ethos, vision, values and mission.

The Resettlement Team continue to support women on their journey to independent living and consider the option of accessing private rented sector accommodation, as this gives the women greater choice of move on accommodation. This has been particularly relevant for those women who have been resident at the Project for a few years and these women have been identified as needing priority support for them to secure move on accommodation. This priority will continue into the coming year. The Resettlement Team also continues 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. There remains a high number of women who have moved out maintaining their tenancy and accommodation and 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. This includes the introduction of a Health InReach Lead whose role it is to empower the women to prioritise their health, to build positive relationships within the community and to bridge the gaps where conventional health support does not currently meet the needs of those experiencing homelessness. In this newly created role, the focus is on developing and embedding a health approach into the services that the Project provides. It

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involves working with and supporting those living within our complex needs service who have underlying health needs to access and maintain the physical health care they need.

The Health InReach Lead supports clients by creating a health support profile plan and to make referrals to and support them in engaging with the correct services, with the outcome being developing positive and sustained relationships of trust with clients, supporting them to engage in health care support and see an improvement in their overall physical health.

As a result of the Health InReach Lead role, we have provided bedspaces specifically for women with health-related needs and these bedspaces have been commissioned by Westminster Council.

The complexity of the needs of the women still requires an intense support provision and occasions of exhaustive non-stop interaction with the women. We continue to be aware of the toll that such intensity of work can have on front line support staff and the breakout and relaxation room continues to be available for staff to have time away from the intensity of situations and have some space and peace. Reflective Practice is now a standard staff support service and is helping the staff to understand and deal with the challenges they are facing.

We continue to provide 5 bed spaces for women with no recourse to public funds (NRPF) as part of a five-year funding programme within the Westminster Council Rough Sleeping Initiative. Westminster Council also spot purchase additional NRPF 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 to go from strength to strength and that we remain a valuable service for homeless women in Westminster.

A new partnership was developed with Crisis providing specific bed spaces for rough sleeping women for the Crisis at Christmas programme.

Every year we set ourselves a challenge to support as many women as possible into moving into independent living with a general target being set at 50 per year. I am pleased to report that we have exceeded this target again this year by moving on 63 women during 2023-24 (a similar number to the 68 moved on during the previous year) the majority of which have been moves to independent living accommodation with a very small number moving to another service within the Project that better suited the women's specific needs. This includes moves between all three accommodation services of emergency beds, support services and resettlement.

This approach of moving women within accommodation services within the Project is an example of how the Project has developed and implemented a trauma informed and psychologically informed environment response the individual support needs of the women. The continued successful move on and exceeding the move on target was helped by a Rent Deposit Scheme and Home Starter Pack Scheme, which is funded by Westminster Almshouses. This is the second year that Westminster Almshouses have provided such funding, and it is not only helping the women to seriously consider private rented accommodation, but also making the transition from homelessness to more settled accommodation easier.

There are a number of challenges facing the whole Project and the Senior Leadership Team are aware of these, their impact, the need to address them and they have developed strategies to manage them.

The biggest challenge with the biggest impact we continue to face is recruitment and retention of staff. We have had numerous front-line staff leave and have struggled to recruit to some positions or retain staff for the longer term. Whilst it has been acknowledged that staff retention and recruitment within the wider health and social care sector has been difficult, the Project is not exempt from this and it has resulted in us needing to use a greater number of agency workers, which come at an increased cost. Great efforts continue to be made to reduce our use and dependency on agency workers and to recruit permanent staff and this remains a priority for the Senior Leadership Team.

Another challenge is maximising the receipt of Housing Benefit, and the Senior Leadership Team has identified this as another priority for its focus and work going forward.

With the help of our Volunteer Co-Ordinator, we have again increased our partnerships with corporate volunteers and many more groups have visited the Project to help with redecoration, upgrading décor and

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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, and the Project's ethos, vision, values and mission can be fulfilled.

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.

All the work of the Project, both positive and negative, has been recognised with the Project achieving the Homeless Link Excellence Award in Excellence in Supported Housing and a formal presentation took place on 30th October 2023 with Rick Hendsen, Chief Executive of Homeless Link, and Kate Alaway, Head of National Workforce Development at Homeless Link.

Reach and Impact

Overall, during the year, the Marylebone Project provided:

- 40,100 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
- 14,500 visits to the Sanctuary Centre, 567 of whom were first-time visitors
- 2,883 women attended 14,500 activity sessions
- 63 women resettled into independent living
- 85 women participated in Westminster Adult Education Services courses
- 45 women engaged in volunteering
- 18 women secured work placements
- 13 women secured employment

Although we have been able to make great developments and achievements challenges still remain within securing permanent staff and staff retention and financial sustainability.

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**

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.

Financial Sustainability for the Sanctuary 24-7

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

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including the Sanctuary has been an immense challenge during the last 2 years, with high inflation creating a cost-of-living crisis that made fundraising even more difficult. This led to a significant deficit of £752k for 2022-23 at the Marylebone Project and a further deficit of £375k for 2023-24, 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

Church Army Ty Bronna provides residential support to 13 young people aged 16 - 21 years old, who have been deemed homeless or at risk of homelessness by the local authority. The provision includes:

- Emergency Bed - offering short term emergency respite support across the partnership.
- Church Army Visiting Support (CAVS) - supports 6 young people living in short-term self-contained flats in Cardiff that are owned by Cardiff council and managed by The Salvation Army. Support is usually provided for a six-month period.
- Training Tenancy (TT) - supports young people who have moved on from CAVS flats and/or residential projects within the partnership and are secured Cardiff council or housing association flats. Support is provided for 12 months after which the young person can be confirmed in their long-term tenancy.
- At Ty Bronna all young people are allocated a designated Personal Development Support Worker who provides them with one-to-one support, so they may adopt independent living skills.
- All young people in CAVS and TT are allocated a Visiting Support Worker who provides them with the one-to-one tenancy-based support.
- All support is provided in a person-centred, client focussed, needs led and psychologically informed way.
- The support is delivered via a variety of formal weekly support sessions, informal ad hoc support sessions, accompanying young people to appointments and providing advocacy, practical life skills support, education, training, and employment sessions and group work.
- 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 they have may have experienced from their adverse childhood experiences.
- 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 homelessness 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 provide leisure activities so young people may develop a sense of community within the project, develop relationships with staff and create positive memories of being at Ty Bronna. This could be through in-house BBQ's, cooking meals, making crafts, movie nights, beauty nights. Then at special times of year such as Christmas and Easter taking young people Go-Karting, paintballing, to a pantomime or on an outdoor education centre, or to a theme park.
- We currently work in partnership with a number of services to best meet the needs of the young people and these include Young Person Gateway, Children's Services, Adult Services, Mental Health Services, Child Sexual Exploitation Services, County Lines Services, Safeguarding Services, Alcohol and Drug Services, Youth Offending Service, Probations Services, Home Office and Miles Project into Work Services.

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.

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- **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.

Key achievements during the year included:

- 4,742 nights of accommodation provided to homeless young people.
- 35 young people have received support and accommodation.
- 41 new referrals received for accommodation and support.
- 39 young people offered accommodation and support.
- 22 young people accepted the offer and moved in.
- 10 young people accessed the emergency bed for a total of 66 nights.
- 14 young people supported in their own homes in the visiting support scheme.
- 10 young people supported in their own homes in the training tenancy scheme.
- 5 new young people moved into the visiting support scheme.
- 1 new young person moved into the training tenancy scheme.
- 6 young people reached the 12-month point in the training tenancy scheme and have been confirmed in their long-term tenancy.

What we've done this year

During this year Ty Bronna ran a 'Moving on - Moving Forward' mentor programme for its young people. The basis of this programme was to invite ex-residents and residents currently living in the community who we still support, to return to the project and mentor new residents at Ty Bronna who are at the start of their housing journey. This was so young people could learn from their peers as to what securing accommodation and maintaining it successfully is really like from their own lived experience. Ty Bronna was able to provide this programme through securing 'Food for Life' funding which advocates for communities to come together through food. Ty Bronna therefore offered our young people to sit and eat a cooked dinner together which acted as an ice breaker and where young people felt more comfortable sharing experiences and stories.

Ty Bronna was also awarded £5,000 by The Archbishop of Wales Fund for Children. This was used to purchase new curtains, lampshades and bedding for the young people's bedrooms. This idea was taken from a Young Persons Forum where young people provided feedback to the service; in how they would like to see the bedrooms decorated with more modern colourers and grey came out top. Church Army Ty Bronna emphasises a person-centred approach when working with young people. So, this feedback in how to better the service was taken seriously.

Young people have reported back that they now take more pride in their bedrooms which has also improved their mental health and wellbeing. Ty Bronna is hoping to secure more funding in the next year with possibilities to increase employment opportunities and reduce educational inequality for young people. We also hope to secure funding to remodel the training kitchen at Ty Bronna to ensure it meets the needs of neurodiverse residents. Ty Bronna is also looking to secure funding to offer a bilingual Welsh service to residents and visitors. This will hopefully allow the service to have Welsh speaking staff and provide all documents and signage bilingually. This will then meet the needs of any young bilingual speakers and encourage young people who are not bilingual to take pride and engage in the Welsh language.

***Martin's Story**

Martin was referred to Ty Bronna after being discharged from a mental health unit due to previously being diagnosed with Psychosis. Martin's Psychosis was brought on by his traumatic journey reaching Britain as an asylum seeker; after he left his home country due to civil war. Martin was heavily medicated for the first few months to address his mental health needs and reduce the risk of him relapsing back into Psychosis. Staff had to try and encourage Martin to meet his basic needs. This included reminding Martin to eat regularly, to ensure he washed and had clean clothes each day and to try and provide simple activities to Martin to keep him occupied. This often included colouring/drawing or staff and Martin watching his favourite YouTube channel. Overtime Martin's medication was reduced, and his emotions and personality started to shine. He went from being very withdrawn to always welcoming staff with a smile each day. Martin started to address his own basic needs and over time his Personal Development Support Worker was able to encourage Martin to achieve more and more. This went from supporting Martin to shop in the local community and cook his favourite meals from when he was at home. Martin was referred into a volunteering placement at a local community garden and thrived as he loved working in the outdoors. Eventually it was decided that Martin was ready to live in his own home in the community. However, Martin's needs were still too high for Ty Bronna to accommodate him safely, so Martin was referred to another housing provider that could provide Martin with wrap around support in his home each day. Martin has achieved so much and came back recently to Ty Bronna mentally well and full of thanks and enthusiasm for staff who helped him when he was at his lowest point.

***Name changed to protect anonymity**

The Ruby Project

Ruby is dedicated to ensuring women can choose a life without sexual exploitation - where women involved in the sex industry can pursue genuine alternatives to survival strategies, abuse, poverty and drug dependency. We exist to show the relentless love of God for all women affected by the sex industry and to journey with those who choose to explore the Christian faith.

Our staff team is relatively small but passionate about serving and loving the women we work with. Our Team consists of 1 full time worker and 3 part time and 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.

We are passionate about serving both in word and deed, we support women practically, emotionally and spiritually.

Over the last few months, we have seen a real increase in new women. We have seen 17 new women to us most we have met through street outreach, but also some attending our safe space drop in. We have developed our multi-agency working and have several agencies who attend our drop in to help develop the support and access to services our women want but struggle at access. This includes specialist services such as Domestic Violence support.

We don't give up - No matter where a woman stands on her journey, we greet her with unconditional compassion, understanding, acceptance, and love. We mark every positive step and persevere alongside them, even during challenging times, we never give up. Together, we explore what hope and thriving looks like, on their terms and at their pace, as they find their voices and discover the truth of their immeasurable worth and the boundless love God has for them.

Claire's story* "I met you guys when working on the street corner, you gave me hot chocolate with squirty cream and homemade brownies, and I loved it! It's through Ruby that I got out of it. You helped me with housing and how I felt about myself I've not been on that street corner for 2 years. I wanted to get help from you because they were nice and didn't judge, you are friendly and cared. You don't throw religion at you, but I was in a place where I wanted to explore anyway, I'm always questioning things. No body judged me, nobody said you need to believe this, and I love that. The only people [in terms of support] that have been consistent is Ruby"

***Name changed to protect identity**

Grace's* story - from the perspective of one of The Ruby Project Staff

Recently in a group we run for women to explore or deepen faith - we were looking at the things that shape us, the labels we might get attributed to us (Using the aid of Max Lucado's book *You Are Special*) there is so much application for our women, from some of the things that have happened to them in terms of abuse, but also labels given to them, by society, friends, family, professionals. We had a beautiful discussion with Grace in which she shared some of the labels she feels like she has had put on her - loser, uncool to name a few. She spoke about comparison and having to keep up with others and how exhausting that is. As the story unfolds it talks about going to the carpenter - the maker and what He says is what ultimately matters. Grace reflected, her relationship with Jesus is really new, and she shared about the impact of this for her, the freedom of what God says about her in comparison to what others say. She also shared that she doesn't feel those labels when she comes to our project - Our heart and prayer is that we do demonstrate the love of God to her, and it deepens her faith with Him.

***Name changed to protect identity**

A double-decker bus

Chris and Phil Baul joined Church Army in 2001, they trained in Sheffield for 3 years, a time that they are very grateful for. Chris and Phil are now based in Plymouth. With the team they had working with them, they believed it was time to look for something which would be more of a permanent place to gather.

So, inspired by others in Church Army who have used double decker buses, they prayed and decided to try the local bus depot. The bus was given to them! They took possession of the bus in late 2012 and by March 2013 they were on the road. They have been running that bus every week since then, except during Covid. They applied for grants, and they were given £25,000, these funds enabled them to get the bus painted and kitted out inside, remove the bus seats and making it practically ready for ministry.

Chris and Phil go out on the bus each week and every time they have a thought for the day, an opportunity for prayer and they aim to have a service once a term. They see people regularly coming to the bus and they have created their own community. They looked out for one another, supporting each other in any way they can, if someone doesn't turn up someone will check on them, without being instructed to do so, God is at work.

It has been a big team who have made this happen. It has not been just people here in Plymouth, but all those who support them either through prayer and financial support through the ESS scheme. The support is from people across the country from their sending church in High Wycombe to those they met in Sheffield, Amersham and fellow Church Army brothers and sisters.

Chris and Phil believe God has more for them to do!

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 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.

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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 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.

Objective 3: Resourcing Evangelism

The Research Unit

Church Army's Research Unit has continued to resource evangelism through a growing portfolio of internal and external research. And with the appointment of a new Senior Researcher with a remit around researching effective evangelism, the research team has sought to ensure that its work becomes more explicitly focused on evangelism.

Internal research for Church Army 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)
- Impact Evaluation for Missional Youth Church Network
- Data collection consultancy for Waterways Chaplaincy and other Church Army departments
- Various internal surveys for Church Army

9 externally commissioned and funded research projects were worked on in this period. Examples include:

- A major piece of research on lay ministries for the Church of England
- Evaluations of church planting and pioneering initiatives for various English dioceses and the start of a new piece of research with the Scottish Church Planters Network
- Continued evaluation work with some of the urban training programmes featured in our 2023 report 'Growing Leaders on Urban Estates' and the start of a new research project with 'Jesus Shaped People'

2023/24 was also a foundational year for the development of new research on effective evangelism and further work on this is planned for 2024/25.

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.

Our Church Resources have reached a point of maturation in their development, with the completion of Faith Questions rounding out the offer to:

- Faith Pictures, helping everyday Christians reflect on and communicate their story of faith.
- Faith Shared, helping ordinary Churches develop sustainable repeatable patterns of outreach to the communities around them.
- Faith Questions, exploring apologetics from a non-academic perspective.
- Faith Empowered, developing local lay leaders in evangelism.

Significant developments for our resources have been:

- The first print run of the Faith Pictures Leader's Box, which is now for sale from the Church Army website. It has been well received as a high-quality addition to our offer.
- The signing of a three-year agreement to license our Church Resources to the Diocese of Ely's learning framework for the development of lay ministries.

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- The development of a standalone Faith Empowered website, through which our trained facilitators access the resource, engage with us and one-another through a forum, and through which we can easily rollout updates to content.
- In September 2023 we gathered FE Facilitators in WCC for our second annual conference. It was a time for networking, sharing wisdom, and working through common challenges. We are planning another conference for September 2024.

Leadership Development identified 3 main priorities for our ongoing work - Growing leadership capacity & culture, enhancing organisational learning & developing our offer to the wider church

- Our Reflective Supervision offer was regularly at capacity, and we saw some increase in numbers engaging in at least one LEAD module
- We began licensing diocese to run LEAD in house through our Facilitators' training days.

The Wilson Carlile Centre (WCC)

The Wilson Carlile Centre in Sheffield has been the home of Church Army for the past 12 years. Located in the heart of the city, the building is a modern looking, multi-purpose centre offering: a public café; a theological library; 30 ensuite 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, 2023 and 2024, maintaining high guest scores and excellent reviews on booking.com (currently 8.3).

Conference & Catering

There continues to be less demand for events and conferencing post Covid and an objective for 2024-25 is to identify new opportunities to meet the changing needs for meeting spaces in Sheffield.

Café

This has seen a gradual increase in sales as the public has returned to Sheffield City Centre, the increased use of our Accommodation. 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 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 2024, we had 23 Evangelists-in-Training (EiTs) to be Commissioned and 1 diocesan sponsored candidate. The September 2023 entry of new EiTs numbered 8 (one of whom is employment with Church Army and has since taken up training opportunities elsewhere). We will welcome 13 people starting their training in September 2024, 7 of whom are Church of Ireland Pioneer ministers, whose training is sponsored by the Church of Ireland.

In July 2024 we Admitted and Commissioned 7 new Evangelists, and we anticipate we will Admit and Commission 9 more in July 2025.

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.

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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'

The Chaplaincy and Vocations Team

The Chaplains exist to support the life and people of Church Army in a variety of ways, but most importantly through prayer. Members of the Church Army Mission Community continued to meet through the year online for Midday Prayers. This provides an opportunity for prayerfully supporting each other and Church Army and is a much-appreciated contact point for people spread across the UK and Ireland.

Towards the end of the year plans were presented for restructuring the Church Army Mission Community, however, these have since been paused whilst a group investigates different options for moving forward.

In the meantime, a new pattern of 'retreats' and 'recharge sessions' have been introduced and well supported. These, and other initiatives have been part of supporting the community of evangelists, staff, and supporters across Church Army.

The world needs more evangelists and the Chaplain with responsibility for vocations, Neil Thomson, is working hard to find them. A programme of Church Army run Discovery Events, as well as participating in Diocesan run events is seeing more and more people consider if God is calling them to be a Church Army Evangelist.

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 4 to 20.

Objectives for the coming year

Anybody reading this report will realise that Church Army is never short of good news to share or new ideas to develop. Whilst we celebrate enthusiasm and innovation, we also acknowledge that if we want to 'do more' and 'share more', we must proceed from a secure financial footing. Therefore, this year we have begun planning for how we can refine and refocus our work to achieve a more sustainable financial model and to see more lives transformed and faith ignited in areas of deprivation. The work so far is bringing us to a position where doing, advocating, resourcing, and enabling evangelism is central to all we do. The 2024-25 year will see us implement more of these plans as we restructure both our work and management structures.

In the meantime, alongside our plans for the future shape of Church Army, this year our objectives continue to build on the success of previous years in these ways:

Doing evangelism

- We will continue to share God's love in word and action to people in marginalised communities through our Centres of Mission?

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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 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.
- Explore finding a patron for each of our Key Projects.
- We will further develop the impact of Waterways Chaplaincy in doing evangelism in a community affected by deprivation and marginalisation.

Measures

- Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives.
- 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.
- 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.

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.

Enabling evangelism

- Through increased numbers of people being trained and resourced by our evangelists and national training staff for evangelism in their local contexts.
- Through increased numbers of participants on our Envoy programme.
- Through increased numbers of people training through our commissioned pathway with our Initial Training team.
- Through developing training relationships with dioceses and national churches across the UK and Ireland

Measures

- 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 2023 to 31 March 2024.

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

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

We started the year budgeting for an operating deficit of £3.2m 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 £3.8m for the year.

Continuing instability in the financial markets led to us seeing losses on our financial investments but as the property market started to recover, we saw small gains on our investment properties, offsetting the losses on financial investments.

Here are some of the key points from our accounts:

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Income - total income increased by £1.1m to £7.3m (2023: £6.2m). The key drivers for this were a significant increase in legacies up £0.8m to £1.1m (2023: £0.3m) and income from rents at our homeless projects up £0.3m, following an uplift in rent levels funded by Housing Benefit.

Donations - increased slightly to £2.2m (2023: £2.1m) including a £500k gift to help fund the Sanctuary 24-7 centre at our Marylebone Homelessness project - giving to Church Army continued to decline down £0.3m at £1.1m (2023: £1.4m).

Legacies - increased to £1.1m reversing a 2-year decline and returning the 5-year average to c £0.75m pa. 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 - declined slightly to £0.67m (2023: £0.69m) as a few projects closed during the year.

Research income from external clients - lifted to £57k (2023: £45k) due to more external work.

Income from other trading activities - continued to rise to £434k (2023: £400k) as the Wilson Carlile Centre focused on increasing usage of the accommodation by external guests.

Rental income from Investment properties - reduced to £408k (2023: £451k) as we continued to sell the properties as part of our planned disposal strategy.

Expenditure

Costs of Raising funds increased to £1.84m (2023: £1.50m) as we started to invest in delivering our step-change in Fundraising strategy to deliver a significant increase in Fundraising income over the next 5 years to help move us towards operating financial sustainability.

Spend on **Charitable activities** increased by £0.6m to £9.2m (2023: £8.6m) primarily due to higher costs in our Marylebone homeless project with total spend on homelessness up £0.3m to £4.0m (2023: £3.7m). Spend on Centres of Mission rose slightly to £0.1m due to the impact of inflation on costs.

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.

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.

During the year all our financial investments were withdrawn as we continued to invest our reserves in funding our ongoing operating deficit. A disposal strategy was also agreed to sell all our investment properties over a 3-year term, to move all of our reserves into more liquid assets.

Investment properties

Church Army's investment properties were previously used as accommodation by employed and retired evangelists. Rental income reduced to £408k (2023: £451k) due to the sale of several properties during the year. In previous years at each year end the investment property portfolio was revalued, but since we are in the process of selling all the properties this year we have used the prices at which they are being sold as the current book value - as at 31 March 2024 this resulted in an increase of £122k (2023: decrease £675k).

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Reserves (Funds) policy

During the year we continued to invest in growing our work, pursuing our DARE strategy and used a further £1.2m of our **DARE Designated Reserve** to fund this work, and the Board decided to transfer the balance of this designated fund into general unrestricted (free) reserves.

At the year end the **Unrestricted Free reserves** of the Charity had reduced to £8.4m (2023: £11.4m including DARE designated funds). 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 9 months operating costs.

We have previously worked to a target of £6.5m of Free Reserves but in this season of investing in delivering a step-change in Fundraising and using reserves to fund ongoing work as we move towards financial sustainability over the next 4 years, the Board is monitoring a 5 year finance and reserves model and is planning to use up to £5m of the free reserves during this period as the organisation works to deliver a major change in its operations and income streams to move to a more sustainable model.

The trustees include investment properties within their Free Reserves calculation as these are readily available for sale and are being sold on a planned basis over the next 12-18 months. The Board recognises that, if required, the proceeds from the sales of the investment properties could be obtained within weeks if they were sold at auction but are pursuing a planned disposal strategy to maximise the value obtained.

Restricted Funds, given for specific purposes **reduced to (£6.3m (2023: £6.9m))** as the monies were used for the purposes for which they were given.

Operational Properties (including our Marylebone Homeless project and Wilson Carlile Centre) comprise **£7.0m** of our total reserves - we cannot access these funds without selling the properties and so these are identified separately in the reserves summary below.

In total, our reserves come to £21.7m (2023: £25.5m), but as outlined above £13.3m are tied up in Restricted funds and Operational Properties. The Unrestricted Free Reserves represents 9 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	2024	2023	2022
Restricted Funds	6.3	6.3	6.9	7.2
Operational Properties (buildings used for our work)	7.0	7.1	7.2	7.2
Designated for investment in DARE strategy and step change in Fundraising – transferred to unrestricted funds March 24 year-end	0	0	4.9	6.2
Unrestricted General Reserves	6.5	8.3	6.5	9.4
Total	19.8	21.7	25.5	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, but the matter was settled with the freeholder in early 2023 at £150,000 which was included in the loss reported for the year to March 2023. The liquidation of WITH is underway and we hope to receive a dividend of up to £50,000 to reduce the overall loss.

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

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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 circumstances, 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

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

Complaints are defined as any expression of dissatisfaction, whether justified or not. Using this definition, we received 6 complaints from people on our supporter database, covering 5 different areas:

- Problems setting up a direct debit
- Changes to publications received
- Incorrect gift allocation and failure to answer a previous question
- Receipt of a fundraising appeal when already donating
- Quality of a Church Army product bought at a festival

All complaints were acknowledged, followed by an investigation and communication to the supporter of our findings and details of the resolution.

We continue to work hard with existing warm individuals, parishes, trusts and foundations to maintain and grow our income and pursue new opportunities. With the arrival of Dan Lane last year began a step-change in our investment and working practices within our fundraising and communications department. We have re-shaped our fundraising team and begun work on new models of acquisition and retention of supporters. We secured an opportunity to be Premier Christian Radio's charity of the year, which will impact in the next financial year but marks a radical change in our approach to reaching new audiences. We have also been reviewing our brand, the proposition we put to supporters, our engagement with Christian festivals and how we approach legacies. It will take time to see the effects of these new ways of working and to recruit the new team members that are joining us in this space.

We recruited a new Trusts Officer in March but due to the nature of trust fundraising, much of the income in the first half of the year was the result of limited proposals when the trusts team were understaffed. There were also delays or postponements to some planned trust proposals due to changes within some of our projects and centres of mission. Consequently, our income from trusts was not as high as we would have hoped but was still higher than pre-Pandemic levels. 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 Samuel & Freda Parkinson Charitable Trust and the Big Lottery Fund supporting our work at the Marylebone Project. We are extremely grateful for the generosity of these and all our loyal donors.

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

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Working Capital and cashflow

The Board recognises and has committed to investing the charity's reserves to fund planned operating deficits reducing over the next 3 years as the charity moves towards operational financial sustainability in 2027-28. Reserves are currently held primarily in investment properties, and these are all being sold on a phased basis over the next 2 years.

Recognising that it is impossible to predict the timing of these sales, the Board has agreed and drawn a 3-year loan of £2million from Stewardship to provide working capital while the properties are sold. This loan was drawn in August 2024 and is repayable at the rate of 15% of each investment property sold, with full repayment from the sale of the site known as the Bushey flats which comprises 26 individual flats across multiple blocks in Bushey Hertfordshire, currently valued at £6m. The Stewardship loan is secured by a charge on the Wilson Carlile Centre, a charge over the Bushey Flats (as these provide the primary source of repayment) and a debenture.

The Executive Team (SLT) has produced a 3-year cashflow forecast which is monitored and updated weekly to ensure clear visibility and close management of cash and working capital during this period.

Going concern

The cashflow forecast shows that with property sales phased quarterly over the next 2 years and the Stewardship loan in place, the charity has sufficient working capital for the next 3 years, but particularly for the next 12 months which is the period of this Going Concern Review.

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 its ongoing work 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 2027-28.

In continuing to spend its reserves the Trustees acknowledge that sales of its investment properties will be required to fund working capital, and the disposal plan is already underway.

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 Charities Regulator in the Republic of 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, 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 in 2022 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.

During the year the Board completed the recruitment of a further trustee with Fundraising expertise, filling the final gap identified in the Board skills audit.

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 Global Majority Heritage (GMH) backgrounds and 50% aged under 50.

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.

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 Waterways Chaplaincy Project Board formulates and implements strategy and oversees all operational matters relating to the Waterways Chaplaincy on behalf of the Church Army as sole Trustee.

The Training Committee

The Training Committee monitors and reviews Church Army's training provision for Evangelists on its Commissioned Pathway and academically validated programmes, ensuring it is aligned with vision, values, and strategy, and is of the highest possible quality and standard.

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.

In 2023 the Board, through the Treasurer, completed a benchmarking exercise for senior staff and set a remuneration framework, based on that review, to reflect the market forces within the sector. The

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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 monthly Cashflow forecast and 3-year financial model
- 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

Following the Board's annual review, the key strategic risks and mitigations are:

Risk	Response
Lack of working capital due to delays in realising property investments	<ul style="list-style-type: none"> • Disposal strategy being pursued, led by our external Property Advisers with multiple properties being marketed for sale • £2m loan agreed for 3-year term with Stewardship drawn in August 2024 to provide working capital pending property sales to be repaid in lump sums with 15% of each investment property sold • 3 months weekly and 12month monthly Cashflow forecast produced with 3-year model - being monitored weekly to maintain close control of cashflow
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
Step change in Fundraising strategy does not deliver forecast income growth at required pace	<ul style="list-style-type: none"> • Strategy includes growth across multiple areas of fundraising income mix not relying on one strand, reducing the risk • Agreed investment includes extensive recruitment of experienced staff in both Fundraising and Comms to deliver the ambitious plans • Monthly monitoring of progress against KPIs by SLT and quarterly by Finance Committee and Board

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	<ul style="list-style-type: none"> Reserves in place with 5-year finance modelling updated quarterly and monitored by SLT, Finance Committee and Board to allow time for Strategy to be delivered
Impact of Strategic changes negatively affect Church Army's reputation with its people and external stakeholders	<ul style="list-style-type: none"> Clear communications plans established ahead of change processes Effective engagement with key stakeholders Establish ongoing listening and feedback opportunities
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 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

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.

Budget and financial model

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.

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;

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- 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 25 October 2024:

John Whitfield
Trustee

The Right Rev Guli Francis-Dehqani
Trustee

Church Army (The) 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 subsidiaries (the 'group') for the year ended 31 March 2024 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 2024, 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 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.

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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 included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 included within the trustees' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 29-30, 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 the Acts and relevant regulations made or having effect thereunder.

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

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 Senior Statutory Auditor 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.

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.

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

Date:

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

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

		Unrestricted Funds £000	Restricted Funds £000	2024 Total £000	As restated 2023 Total £000
	Note				
Income and endowments from:					
Donations and legacies	2	1,788	1,455	3,243	2,317
Charitable activities	3	333	2,751	3,084	2,963
Other trading activities	4	387	47	434	400
Investments	5	429	33	462	467
Other	6	9	52	61	42
Total income and endowments		2,946	4,338	7,284	6,189
Expenditure on:					
Raising funds	7	1,652	185	1,837	1,501
Charitable activities	8	3,355	5,898	9,253	8,597
CoE pension scheme movement	23	-	-	-	(23)
Other	10	57	-	57	67
Total expenditure		5,064	6,083	11,147	10,142
Net expenditure for the year before investment gains/(losses)		(2,118)	(1,745)	(3,863)	(3,953)
Net (losses)/gains on financial investments		(59)	(123)	(182)	131
Net gains/(losses) on property investments		84	38	122	(675)
Overall gains/(losses) on investments		25	(85)	(60)	(544)
Net expenditure for the year		(2,093)	(1,830)	(3,923)	(4,497)
Transfers between funds	19	(1,108)	1,108	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		-	-	-	11
Re-measurement gain on defined benefit pension plan	23	-	83	83	2
Net movement in funds		(3,201)	(639)	(3,840)	(4,484)
Reconciliation of funds:					
Total funds brought forward	19	18,547	6,979	25,526	30,010
Total funds carried forward	19	15,346	6,340	21,686	25,526

All income and expenditure derive from continuing activities.

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

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

	Note	Unrestricted Funds £000	Restricted Funds £000	2024 Total £000	As restated 2023 Total £000
Income and endowments from:					
Donations and legacies	2	1,788	336	2,124	1,653
Charitable activities	3	333	799	1,132	1,128
Other trading activities	4	387	-	387	366
Investments	5	429	33	462	467
Other	6	9	25	34	41
Total income and endowments		2,946	1,193	4,139	3,655
Expenditure on:					
Raising funds	7	1,652	95	1,747	1,424
Charitable activities	8	3,355	2,466	5,821	5,411
CoE pension scheme movement	24	-	-	-	(23)
Other	10	57	-	57	67
Total expenditure		5,064	2,561	7,625	6,879
Net expenditure for the year before investment gains/(losses)		(2,118)	(1,368)	(3,486)	(3,224)
Net (losses) on financial investments		(59)	(123)	(182)	(62)
Net gains on property investments		84	38	122	(482)
Overall gains/(losses) on investments		25	(85)	(60)	(544)
Net expenditure for the year		(2,093)	(1,453)	(3,546)	(3,768)
Transfers between funds	19	(1,108)	1,108	-	-
Other recognised gains/(losses):					
Gain on revaluation of fixed assets		-	-	-	11
Re-measurement gain on defined benefit pension plan	23	-	83	83	2
Net movement in funds		(3,201)	(262)	(3,463)	(3,755)
Reconciliation of funds:					
Total funds brought forward		18,547	5,809	24,356	28,111
Total funds carried forward		15,346	5,547	20,893	24,356

All income and expenditure derives from continuing activities.

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

Church Army (The)
Year Ended 31 March 2024

Balance Sheets

	Note	Group 2024 £000	As restated Group 2023 £000	Society 2024 £000	As restated Society 2023 £000
Fixed assets					
Tangible assets	14	8,432	8,677	7,065	7,262
Investments	15	12,201	16,396	12,201	16,396
		<u>20,633</u>	<u>25,073</u>	<u>19,266</u>	<u>23,658</u>
Current assets					
Debtors	16	1,139	471	1,681	665
Cash at bank and in hand		744	719	744	719
		<u>1,883</u>	<u>1,190</u>	<u>2,425</u>	<u>1,384</u>
Creditors: amounts falling due within one year	17	(830)	(737)	(798)	(686)
Net current assets		<u>1,053</u>	<u>453</u>	<u>1,627</u>	<u>698</u>
Total assets less current liabilities		21,686	25,526	20,893	24,356
Creditors: amounts falling due after more than one year	18	-	-	-	-
Net assets excluding pension liability		21,686	25,526	20,893	24,356
Defined benefit pension liability	23	-	-	-	-
Net assets	21	21,686	25,526	20,893	24,356
Charity funds					
General funds		8,281	6,500	8,281	6,500
Designated funds (including revaluation Reserve) £8,890,000 (2023: £8,890,000)		7,065	12,047	7,065	12,047
		<u>15,346</u>	<u>18,547</u>	<u>15,346</u>	<u>18,547</u>
Restricted funds		6,340	6,979	5,547	5,809
Total funds excluding pension reserves		<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</u>
Pension liabilities		-	-	-	-
Total charity funds	19	21,686	25,526	20,893	24,356

Signed on behalf of the Board of Trustees on

John Whitfield
Trustee

The Rt Rev Guli Francis-Dehqani
Trustee

The notes on pages 40 to 65 form part of these financial statements.

Company registration number: 00037169

Group Statement of Cash Flows

	Note	2024 £000	2023 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,422)	(4,640)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(12)	(275)
Payments to acquire investments		-	-
Receipts from sales of investments		3,997	4,243
Interest received		9	-
Dividends received		44	16
Rents received from investment properties		409	451
Net cash flow from investing activities		4,447	4,435
Net (decrease)/increase in cash and cash equivalents		25	(205)
Cash and cash equivalents brought forward		719	924
Cash and cash equivalents carried forward		744	719
Cash and cash equivalents consist of:			
Cash at bank and in hand		744	719
		744	719

Society Statement of Cash Flows

	Note	2024 £000	2023 £000
Cash flow from operating activities:			
Net cash flow used in operating activities	22	(4,434)	(4,640)
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		-	(275)
Payments to acquire investments		-	-
Receipts from sales of investments		3,997	4,243
Interest received		9	-
Dividends received		44	16
Rents received from investment properties		409	451
Net cash flow from investing activities		4,459	4,435
Net (decrease)/increase in cash and cash equivalents		25	(205)
Cash and cash equivalents brought forward		719	924
Cash and cash equivalents carried forward		744	719
Cash and cash equivalents consist of:			
Cash at bank and in hand		744	719
		744	719

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 miscellaneous 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 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 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 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 Board recognises and has committed to investing the charities reserves to fund planned operating deficits reducing over the next 3 years as the charity moves towards operational financial sustainability in 2027-28. Reserves are currently held primarily in investment properties, and these are all being sold on a phased basis over the next 2 years.

Recognising that it is impossible to predict the timing of these sales, the Board has agreed and drawn a 3-year loan of £2million from Stewardship to provide working capital while the properties are sold. This loan was drawn in August 2024 and is repayable at the rate of 15% of each investment property sold, with full repayment from the sale of the site known as the Bushey flats which comprises 26 individual flats across multiple blocks in Bushey Hertfordshire, currently valued at £6m. The

Stewardship loan is secured by a charge on the Wilson Carlile Centre, a charge over the Bushey Flats (as these provide the primary source of repayment) and a debenture.

The Executive Team (SLT) has produced a 3-year cashflow forecast which is monitored and updated weekly to ensure clear visibility and close management of cash and working capital during this period.

The cashflow forecast shows that with property sales phased quarterly over the next 2 years and the Stewardship loan in place, the charity has sufficient working capital for the next 3 years, but particularly for the next 12 months which is the period of this Going Concern Review.

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 its ongoing work 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 2027-28.

In continuing to spend its reserves the Trustees acknowledge that sales of its investment properties will be required to fund working capital, and the disposal plan is already underway.

Based on the above, 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.

Church Army (The)
Year Ended 31 March 2024

2 Income from donations and legacies

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Donations	2,192	2,057	1,073	1,393
Legacies	1,051	260	1,051	260
	<u>3,243</u>	<u>2,317</u>	<u>2,124</u>	<u>1,653</u>

In 2024, of the total Group income from donation and legacies, £1,788k (2023: £1,062k) was to unrestricted funds and £1,455k (2023: £1,255k) was to restricted funds. Of the total Society income from donation and legacies, £1,788k (2023: £1,062k) was to unrestricted funds and £336k (2023: £591k) was to restricted funds.

3 Income from charitable activities

	Group 2024 £000	As restated Group 2023 £000	Society 2024 £000	Society 2023 £000
Fees for services (Housing Benefit)	1,862	1,755	190	171
Contractual payments	671	697	671	697
Performance related grants (Supporting People)	494	466	214	215
Research and Training	57	45	57	45
	<u>3,084</u>	<u>2,963</u>	<u>1,132</u>	<u>1,128</u>

In 2024, of the total Group income from charitable activities, £333k (2023: £443k) was to unrestricted funds and £2,751k (2023: £2,520k) was to restricted funds. Of the total Society income from charitable activities, £333k (2023: £371k) was to unrestricted funds and £799k (2023: £757k) was to restricted funds.

4 Income from other trading activities

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Accommodation	287	282	287	282
Room hire	67	49	29	25
Catering	80	69	71	59
	<u>434</u>	<u>400</u>	<u>387</u>	<u>366</u>

In 2024, of the Group income from other trading activities, £387k (2023: £366k) was attributable to unrestricted funds and £47k (2023: £34k) to restricted funds. All of the Society income from other trading activities, £387k (2023: £366k) was to unrestricted funds.

Notes to the financial statements

5 Income from investments - Group and Society

	Total 2024 £000	Total 2023 £000
Listed investments	44	16
Bank interest	9	-
Rental income	409	451
	<u>462</u>	<u>467</u>

In 2024, of the total Group and Society income from investments, £429k (2023: £447k) was to unrestricted funds and £33k (2023: £20k) was to restricted funds.

6 Other income

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Other	<u>61</u>	<u>42</u>	<u>34</u>	<u>41</u>

In 2024, of other Group income, £9k (2023: £18k) was attributable to unrestricted income and £52k (2023: £24k) restricted. Society income, £9k (2023: £18k) was attributable to unrestricted funds and £25k (2023: £23k) to restricted funds.

7 Expenditure on raising funds

	Group 2024 £000	Group 2023 £000	Society 2024 £000	Society 2023 £000
Costs of generating voluntary income	477	431	456	427
Costs of generating trading income	948	922	878	849
Investment and investment properties management costs	412	148	413	148
	<u>1,837</u>	<u>1,501</u>	<u>1,747</u>	<u>1,424</u>

In 2024, of Group expenditure on raising funds, £1,652k (2023: £1,317k) was unrestricted and £185k (2023: £184k) restricted. Society expenditure on raising funds, £1,652k (2023: £1,317k) was unrestricted and £95k (2023: £107k) to restricted funds.

Notes to the financial statements

8 Expenditure on charitable activities

Group	Activities	Support costs £000	Total 2024 £000	As restated
	Undertaken directly £000			Total 2023 £000
Centres of Mission	1,867	1,052	2,919	2,828
Fresh expressions	48	10	58	58
Other field evangelism	274	223	497	442
Homeless projects	3,541	450	3,991	3,718
Training	514	308	822	694
Community	309	165	474	420
National Operations	338	154	492	437
	<u>6,891</u>	<u>2,362</u>	<u>9,253</u>	<u>8,597</u>
2023	<u>6,402</u>	<u>2,195</u>	<u>8,597</u>	

Of the above costs £3,355k (2023: £3,240k) were attributable to unrestricted funds and £5,898k (2023: £5,357k) were attributable to restricted funds.

Society	Activities	Support costs £000	Total 2024 £000	As restated
	Undertaken directly £000			Total 2023 £000
Centres of Mission	1,805	1,051	2,856	2,828
Fresh expressions	48	10	58	58
Other field evangelism	267	223	490	442
Homeless projects	215	450	65	550
Training	514	308	82	694
Community	299	165	464	420
National Operations	229	154	383	419
	<u>3,377</u>	<u>2,362</u>	<u>5,821</u>	<u>5,411</u>
2023	<u>3,216</u>	<u>2,195</u>	<u>5,411</u>	

Of the above costs, £3,355k (2023: £3,240k) were attributable to unrestricted funds and £2,466k (2023: £2,171k) were attributable to restricted funds.

Notes to the financial statements

9 Allocation of support costs - Group and Society	As restated	
	Total 2024 £000	Total 2023 £000
Senior management	262	360
Communications	481	390
Administration (finance/personnel/volunteering/IT)	1,223	1,015
Strategic development	203	170
General unrestricted costs	155	225
Welfare	28	20
Housing	10	15
Total	<u>2,362</u>	<u>2,195</u>

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

10 Other expenditure	Group	Group	Society	Society
	2024 £000	2023 £000	2024 £000	2023 £000
Trustee expenses	14	22	14	22
Auditor's remuneration	43	45	43	45
	<u>57</u>	<u>67</u>	<u>57</u>	<u>67</u>

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

11 Net income/(expenditure) for the year

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

	2024 £000	2023 £000
Depreciation of tangible fixed assets	257	254
Auditor's remuneration - audit	36	32
Auditor's remuneration - non-audit	-	6

12 Trustees' and key management personnel remuneration and expenses

All 9 (2023: 11) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but incurred expenses totalling £1,612 (2023: £8,289) for filing fees, travel costs and residential training costs. As permitted by the Society's Articles of Association, during the year four (2023: three) members of the Board who are, or were, Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £186,320 in total (2023: £154,886). Three Board members benefited from contributions of £19,649 (2023: £18,191 for three Board members) to a defined contribution scheme. Aggregate donations received from trustees during the year was £6,194k (2023: £14,235).

Notes to the financial statements

12 Trustees' and key management personnel remuneration and expenses (continued)

The total amount of employee benefits received by key management personnel is £499k (2023: £362k). 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, the Director of Learning and Development who are salaried employees. There are two additional members of the SLT in 2024 compared to 2023.

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

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2024	2023
	£000	£000
Wages and salaries	5,412	3,850
Employer's NI	507	478
Employer's pension costs	297	298
	<u>6,216</u>	<u>4,626</u>
Agency staff costs	989	1,234
	<u>7,205</u>	<u>5,860</u>

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

	2024	2023
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1

Total redundancy and termination payments amount to £75,380 (2023: £30,432).

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

	2024	2024	2023	2023
	Number	FTE	Number	FTE
Raising funds	31	23	38	19
Charitable activities	149	130	152	101
Support	14	10	15	7
	<u>194</u>	<u>163</u>	<u>205</u>	<u>127</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.

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 2023	7,285	1,200	2,705	1,139	12,329
Additions	-	-	-	12	12
Revaluation	-	-	-	-	-
Transfers to investment property	-	-	-	-	-
At 31 March 2024	7,285	1,200	2,705	1,151	12,341
Depreciation:					
At 1 April 2023	1,068	-	1,449	1,135	3,652
Charge for the year	97	-	158	2	257
Revaluation	-	-	-	-	-
At 31 March 2024	1,165	-	1,607	1,137	3,909
Net book value:					
At 31 March 2024	6,120	1,200	1,098	14	8,432
At 31 March 2023	6,217	1,200	1,256	4	8,677
Society					
Cost or valuation:					
At 1 April 2023	5,943	1,200	2,320	460	9,923
Additions	-	-	-	-	-
Revaluation	-	-	-	-	-
Transfer to investment property	-	-	-	-	-
At 31 March 2024	5,943	1,200	2,320	460	9,923
Depreciation:					
At 1 April 2023	869	-	1,333	459	2,661
Charge for the year	79	-	118	-	197
Revaluation	-	-	-	-	-
At 31 March 2024	948	-	1,451	459	2,858
Net book value:					
At 31 March 2024	4,995	1,200	869	1	7,065
At 31 March 2023	5,074	1,200	987	1	7,262

Notes to the financial statements

14 Tangible fixed assets (continued)

The group has adopted a policy of revaluation for the investment properties held 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 the asking prices for properties currently being sold and publicly available data for those properties not yet being marketed. The Directors have adopted this basis of valuation.

The net book value of land and buildings comprised:

	Group		Society	
	2024	2023	2024	2023
	£000	£000	£000	£000
Operational properties (included above)				
Freehold	6,680	6,777	5,555	5,634
Long leasehold	640	640	640	640
	<u>7,320</u>	<u>7,417</u>	<u>6,195</u>	<u>6,274</u>
Investment properties (included in investments)				
Freehold	11,938	13,451	11,938	13,451
	<u>11,938</u>	<u>13,451</u>	<u>11,938</u>	<u>13,451</u>

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

	Group		Society	
	2024	2023	2024	2023
	£000	£000	£000	£000
Cost	7,689	8,277	7,689	8,277
Depreciation	(1,761)	(1,909)	(1,761)	(1,909)
Net book value	<u>5,928</u>	<u>6,368</u>	<u>5,928</u>	<u>6,368</u>

Notes to the financial statements

15 Fixed asset investments

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Cost or valuation:				
At 1 April 2023	16,396	20,786	16,396	20,786
Additions	-	248	-	248
Disposals	(4,135)	(4,156)	(4,135)	(4,156)
Revaluation	(60)	(544)	(60)	(544)
Transfer from tangible fixed assets	-	62	-	62
At 31 March 2024	<u>12,201</u>	<u>16,396</u>	<u>12,201</u>	<u>16,396</u>

Investments at fair value comprise:

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Listed investments	263	2,945	263	2,945
Investment properties	11,938	13,451	11,938	13,451
	<u>12,201</u>	<u>16,396</u>	<u>12,201</u>	<u>16,396</u>

Investment properties are revalued every year at the balance sheet date to reflect market value. They have been valued at the balance sheet date at open market value and on an 'existing use' basis based on the asking prices for properties currently being sold and publicly available data for those properties not yet being marketed. The Directors have adopted this basis of valuation.

The cost of fixed asset investments is £4,467,740 (2023: £7,410,946).

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	3,042	(3,417)	(375)	771
Waterways Chaplaincy	103	(104)	(1)	23

Notes to the financial statements

16 Debtors

	Group As restated		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	482	307	380	207
Other debtors	43	8	41	6
Prepayments and accrued income	614	156	611	156
Amounts owed by subsidiary undertakings	-	-	696	296
	<u>1,139</u>	<u>471</u>	<u>1,681</u>	<u>665</u>

17 Creditors: amounts falling due within one year

	Group As restated		Society As restated	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	180	189	177	186
Other tax and social security	159	118	159	118
Amounts owed to subsidiary undertakings	-	-	-	-
Amount due to Church Army Pension Scheme	106	(6)	106	(6)
Other creditors	107	208	107	208
Accruals and deferred income	278	228	249	180
C of E pension scheme (note 23)	-	-	-	-
	<u>830</u>	<u>737</u>	<u>798</u>	<u>686</u>

Deferred income

	Group 2024 £000	Society 2024 £000
Opening deferred income	64	20
Resources deferred during year	88	64
Amounts released from previous years	(64)	(20)
Closing deferred income	<u>88</u>	<u>64</u>

Deferred income relates to grant income received in advance.

18 Creditors: amounts falling due after more than one year

	Group		Society	
	2024 £000	2023 £000	2024 £000	2023 £000
C of E pension scheme (note 23)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Church Army (The)
Year Ended 31 March 2024

Notes to the financial statements

19 Charity Funds - current year

	1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2024 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets	7,262	-	(257)	60	-	7,065
DARE strategy	4,903	465	(1,234)	(4,134)	-	-
Total designated funds	12,165	465	(1,491)	(4,074)	-	7,065
General reserves	6,382	2,481	(3,573)	2,966	25	8,281
Total unrestricted funds	18,547	2,946	(5,064)	(1,108)	25	15,346
Restricted funds						
Portman House Trust	1,147	3,042	(3,417)	(354)	-	771
Waterways Chaplaincy	24	103	(104)	-	-	23
Special trusts including linked charity:						
Discretionary Grant Fund	944	9	(29)	-	(66)	858
Gurney Trust	2,113	12	-	-	(49)	2,076
Ketterson	187	9	-	-	13	209
Tebbs	165	6	-	-	3	174
Other restricted funds including linked charity:						
Retirement fund	1,728	(2)	(22)	-	14	1,718
Greenwich Centre of Mission	29	-	-	-	-	29
YSRF Small Grant	4	-	(4)	-	-	-
Amber/Hussey fund	248	11	(1)	(10)	-	248
Frontline activities	-	540	(2,095)	1,472	83	-
Other	390	608	(764)	-	-	234
	6,979	4,338	(6,083)	1,108	(2)	6,340
CAPS pension liability	-	-	-	-	-	-
Total restricted funds	6,979	4,338	(6,083)	1,108	(2)	6,340
Total funds	25,526	7,284	(11,147)	-	(23)	21,686

Church Army (The)
Year Ended 31 March 2024

Notes to the financial statements

19 Charity Funds - prior year - as restated

	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
General reserves	9,372	1,718	(3,139)	(1,071)	(498)	6,382
Total unrestricted funds	22,817	2,264	(4,624)	(1,412)	(498)	18,547
Restricted funds						
Portman House Trust	1,898	2,481	(2,878)	(354)	-	1,147
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	3,925	(5,568)	1,412	(35)	6,979
CAPS pension liability	-	-	(2)	-	2	-
CoE pension liability	(52)	-	52	-	-	-
Total restricted funds	7,193	3,925	(5,518)	1,412	(33)	6,979
Total funds	30,010	6,189	(10,142)	-	(531)	25,526

Notes to the financial statements

19 Charity Funds (continued)

Reserves	Group		Society	
	2024	As restated 2023	2024	As restated 2023
	£000	£000	£000	£000
Income and expenditure account	4,694	8,474	3,901	7,304
Revaluation reserve	16,992	17,052	16,992	17,052
Pension reserve	-	-	-	-
	<u>21,686</u>	<u>25,526</u>	<u>20,893</u>	<u>24,356</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.

Waterways Chaplaincy activities were acquired from EPI Ltd t/a Workplace Matters on 1 Jan 2024 and integrated them into Church Army - the activities are run through a separate charity of which Church Army is the sole trustee.

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.

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 net 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.

Frontline activities represent the activity in the centres of mission across the UK and Ireland.

Other funds represents grant funding from various trusts and other organisations.

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 2023	207	186
Income	2	2
Expenditure	(6)	(6)
Gains/(losses)	(15)	(13)
Funds at 31 March 2024	<u>188</u>	<u>169</u>

21 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	7,065	1,367	8,432
Investments	10,871	1,330	12,201
Current assets	(2,487)	4,370	1,883
Creditors due within one year	(103)	(727)	(830)
Creditors due after more than one year	-	-	-
Total	<u>15,346</u>	<u>6,340</u>	<u>21,686</u>

Prior year - as restated	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)	2,243	1,190
Creditors due within one year	(317)	(420)	(737)
Creditors due after more than one year	-	-	-
Total	<u>18,547</u>	<u>6,979</u>	<u>25,526</u>

Notes to the financial statements

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

Group	2024 £000	2023 £000
Net (expenditure) for the year	(3,923)	(4,497)
Rents received from investment properties	(409)	(451)
Income from investments	(53)	(16)
Depreciation of tangible fixed assets	257	254
Losses/(gains) on investments	60	544
Donated investment property	-	(248)
Profit on disposal of investments	138	(85)
Movement in pension scheme	83	(52)
(Increase)/decrease in debtors	(668)	136
Increase/(decrease) in creditors	93	(225)
Net cash flow used in operating activities	<u>(4,422)</u>	<u>(4,640)</u>

Society	2024 £000	2023 £000
Net (expenditure) for the year	(3,546)	(3,768)
Rents received from investment properties	(409)	(451)
Income from investments	(53)	(16)
Depreciation of tangible fixed assets	196	196
Losses/(gains) on investments	60	544
Donated investment property	-	(248)
Profit on disposal of investments	138	(85)
Movement in pension scheme	83	(52)
(Increase) in debtors	(1,016)	(148)
Increase/(decrease) in creditors	112	(612)
Net cash flow used in operating activities	<u>(4,434)</u>	<u>(4,640)</u>

Analysis of changes in net debt - Group and Society

	At 1 April 2023 £000	Cash Flows £000	At 31 March 2024 £000
Short term borrowings	-	-	-
Total liabilities	-	-	-
Cash at bank	719	25	744
Total net debt	<u>719</u>	<u>25</u>	<u>744</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 2023. This valuation revealed a funding shortfall of £2.1m (2020 £657,000).

As part of the agreed deficit recovery plan Church Army has agreed to continue 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) from 1 June 2024 to 31 May 2027 and £2.4m between 1 June 2027 and 30 November 2028 to help improve the funding position. These payments include an allowance to cover the cost of new benefits being built up in the Scheme over the period until 30 November 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 2024.

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 £160k (2023: £210k).

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 £19k (2023: £18k).

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 £120k (2023: £70k).

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:

	2024 £000	2023 £000
Past service cost	-	6
Current service cost	9	15
Admin costs, past introductions, changes, curtailments and settlements	172	81
Net interest (income)/expense	(22)	-
	<hr/>	<hr/>
Recognised in net income/expenditure	168	102
Recognised in other (gains)/losses	(83)	(2)
	<hr/>	<hr/>
Total cost recognised	85	100
	<hr/> <hr/>	<hr/> <hr/>

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

	2024 £000	2023 £000
Fair value of plan assets	7,347	8,017
Present value of funded obligations	(7,244)	(7,505)
	<hr/>	<hr/>
Net pension surplus/(deficit)	103	512
	<hr/> <hr/>	<hr/> <hr/>

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:

	2024 £000	2023 £000
Opening plan assets	8,017	10,115
Interest income	365	253
Actual return on plan assets (excluding interest income)	(514)	(1,901)
Administration expenses	(172)	(81)
Contributions by charity	100	100
Contributions by scheme participants	3	3
Benefits paid	(452)	(472)
	<hr/>	<hr/>
Closing plan assets	7,347	8,017
	<hr/> <hr/>	<hr/> <hr/>

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:

	2024 £000	2023 £000
Opening defined benefit obligation	7,505	9,581
Current & past service cost	9	555
Interest expense	343	253
Contributions by scheme participants	3	3
Benefits paid	(452)	(472)
Actuarial (gains)/losses	(164)	(2,415)
	<u>7,244</u>	<u>7,505</u>

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

	2024 £000	2023 £000
Bonds	-	635
Cash	19	47
Pooled investment vehicle	-	3,241
Liability driven investments	1,555	1,704
Diversified credit funds	1,162	2,390
Buyout aware funds	4,611	-
	<u>7,347</u>	<u>8,017</u>

The return on plan assets was as follows:

	2024 £000	2023 £000
Interest income	365	253
Actual return on plan assets (excluding interest income)	(514)	(1,901)
	<u>(149)</u>	<u>(1,648)</u>

The principal actuarial assumptions used were as follows:

	2024	2023
Discount rate	4.8%	4.7%
RPI inflation	3.2%	3.2%
CPI inflation	2.8%	2.8%
Expected rates of salary increases	2.5%	2.5%
Expected rates of pension increases RPI linked	3.2%	3.2%
Expected rates of pension increases CPI linked	2.8%	2.8%
Expected rates of pension increases (5% or RPI if less)	3.1%	3.1%
Expected rates of pension increases (5% or CPI if less)	N/A	N/A

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	19.2 (2023: 19.8)	
Females	23.3 (2023: 23.8)	
Life expectancy at age 65 for a current individual aged 45:		
Males	20.5 (2023: 21.2)	
Females	24.8 (2023: 25.3)	

Church of England Funded Pension Scheme (CEFPS)

The total movements recognised in the period were as follows:	2024	2023
	£000	£000
Net interest income/expense	-	-
Deficit contribution paid	-	(29)
Re-measurement of the balance sheet liability	-	(23)
Total	-	(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 £159k (2023: £210k), of which £nil (2023: £29k) 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 2021 to December 2022	31 December 2022 to 31 December 2023
Deficit repair contributions	7.1%	nil

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.

	2024 £000	2023 £000
Opening balance sheet liability	-	52
Deficit contribution paid	-	(29)
Interest cost recognised in SOFA	-	-
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(23)
Closing balance sheet liability	-	-

*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 2023 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 2024 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:

	2024 £000	2023 £000
Not later than one year	21	19
Later than one and not later than five years	-	-
Later than five years	-	-
	21	19
	21	19

The lease payments recognised as an expense in the year were £87k (2023: £51k).

25 Capital commitments

There are capital commitments of £nil for refurbishment at the Sheffield premises at 31 March 2024 (2023: £12k).

26 Contingent assets

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 £70k.

At the reporting date, it is probable that additional legacy income of approximately £295k is to be received however this did not entirely meet the income recognition criteria for inclusion in the current year and therefore will be recorded as income in the next financial year.

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 (2023: £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 2023/24 rent amounted to £234k (2023: £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 (2023: £120k).

Church Army also acts as sole trustee of Waterways Chaplaincy. Church Army provides certain services to Waterways Chaplaincy, including executive leadership, accounting, payroll and other HR services, policies, and other support services. No charges are made for these services. A balance of £48,328 (2023: £72,214) is owed to Waterways Chaplaincy at the year end.