

**ADDITIONAL CURATES SOCIETY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2019**

**Company Registration Number 262795**  
**Registered Charity Number 209448**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS**

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Council and Trustees/Directors: The Revd Prebendary David Houlding (Chairman)  
Mr Andrew Roberts (Vice Chairman)  
The Right Revd Anthony Robinson  
The Venerable Ian Chandler  
The Revd John Hanks  
The Revd Canon Steven Kirk  
The Revd Canon Kit Dunkley  
The Revd Damian Feeney  
The Revd Grant Naylor  
Mrs Alexandra Buckingham  
Mrs Mary Speight (council member only)  
Deacon Sarah Gillard-Faulkner

General Secretary: The Revd Darren Smith

Registered Office: 16 Commercial Street  
Birmingham  
B1 1RS

Bankers: Bank of Scotland plc  
55 Temple Row  
Birmingham  
B2 5LS

Investment Managers: M&G Charities  
PO Box 9038  
Chelmsford  
CM99 2XF  
  
CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

Independent Examiner: Nicholas Simkins FCA  
The Dower House  
Bonehill  
Staffordshire  
B78 3HX

**COUNCIL'S AND TRUSTEES' REPORT**

**For the year ended 30 September 2019**

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The Council/Trustees present their annual report and financial statements for the year ended 30 September 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Charity was constituted as a company limited by guarantee on 19 February 1932, and is therefore governed by a Memorandum and Articles of Association, and became a registered charity on 8 May 1963.

The Charity is organised so that the Council meet regularly to manage its affairs, to determine future actions and policies that should be pursued to the benefit of the Charity, and to consider applications for grants and to determine the level of grants payable.

All Council members of the company are also Trustees of the Charity, and there are no other Trustees.

The Council members/Trustees who were in office in the year are as listed on page 1.

A quarter of the Council members/Trustees retire by rotation each year at the Annual General Meeting, with the members of the Council appointing or re-electing the Council members/Trustees. Where a casual vacancy arises during the year, the members may appoint a person to fill that position until the next Annual General Meeting, where the person will be eligible for re-election.

Potential new Council members are identified and approached by the Council. Their selection is based on their geographical position to ensure that the Council is representative of all regions, and for their technical expertise. Potential Council members are selected from various individuals who support the Society and its objectives. If the potential new member chooses to accept the offer, they will be nominated for membership at a Council meeting.

Before the new member attends their first Council meeting, they will be given a briefing on the history and objectives of the Society and a tour of the offices by the General Secretary.

The Council continues to keep a watchful eye on the possible risks which could affect the Society. The Council has monitored the review of the various business and operational activities of the Society and systems continue to be in place to ensure that these risks are kept to a minimum.

**OBJECTIVES AND ACTIVITIES**

The Society's objects and its principal activity continues to be that of providing support, or assisting in the support of clergy in poor and populous parishes and to make annual grants of money towards the maintenance of additional clergy in those parishes in need of such assistance. As part of its vocational work, the Society also makes grants available for parish placements and arranges a vocations conference. There were no changes to these activities in the year.

The Council constantly reviews the conditions under which it makes grants. The one primary concern is that grants are made to 'parishes in poor and populous areas'. That is why a parish's Statements of Account are examined very carefully before any decision is made about awarding a grant. However, the Church has, in recent years seen a decline in the number of curates being ordained. Therefore, the Society's policy reflects the fact that larger grants have been given to fewer parishes instead of modest grants to a large number of parishes.

**COUNCIL'S AND TRUSTEES' REPORT (Continued)**

**For the year ended 30 September 2019**

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**OBJECTIVES AND ACTIVITIES (continued)**

The General Secretary and some other members of the Council often visit parishes which support the Society, to preach about the work of the Society in order to raise awareness and attempt to increase donation and legacy income.

Raising awareness and attempting to generate further funds for the purpose of the Society is also done by parish secretaries from supporting parishes on a voluntary basis.

**PUBLIC BENEFIT**

The Trustees confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit, including the guidance on public benefit: running a charity (PB2) and the Charity's objectives and activities as noted above are considered to be for public benefit.

**ACHIEVEMENTS AND PERFORMANCE**

The Society has paid out a total of £87,695 (2018 - £95,239) as grants, bursaries and vocation payments relating to the objects of the Society of providing support for, and maintenance of clergy. Donations received amounted to £182,613 (2018 - £237,078) and legacies received amounted to £100,829 (2018 - £9,382).

The net incoming resources for the year amounted to £162,973 (2018 - £105,860), but after net realised and unrealised gains on investments of £149,337 (2018 - £200,593), and actuarial gain on pension deficit of £10,000 (2018: gain of £2,000), the final net movement in funds for the year resulted in a surplus of £322,310 (2018 - £308,453). The net movement in funds of £322,310 is as a result of a restricted funds deficit of £32,695 and an unrestricted fund surplus of £355,005.

The Trustees are seeking to address the alarming rate of parish vacancies due primarily to the age profiling of the existing clergy and the expected rate of clergy retirement over the next 10 years. It was decided to put significant resources into our vocations work which has been headed "Here I Am" and consists of an annual residential conference, regional day conferences and individual placements and support. In 2018 the expenditure was higher than this last year due to a number of factors, primarily the commissioning of professional videos to enhance our online presence. The expenditure on the vocation activities was £4,500 this year and in 2018 £6,003.

The Society continues to support individual parishes with the on-going expenditure connected with Assistant Curates and provides grants that assist with working and housing expenses. In 2019 there were 23 parishes in receipt of these grants as opposed to 21 in 2018. Although in some cases these are relatively small amounts of money, but in the cases of the parishes involved these grants make a significant contribution to their overall budget and in some cases the difference between having and not having a curate.

As the Church faces the other challenge of a decline in overall church attendance and a drop in income, more and more dioceses are choosing to reduce the number of stipendiary clergy and reclassifying parishes to part-time and House for Duty roles. The Trustees have chosen over a number of years to pioneer a number of parishes where they can see particular merit in continuing the presence of a full-time minister. These parishes are partly identified by the way in which they fit into the ACS's investment criteria (small and populous parishes in England and Wales). Over the year last few years what the Society has discovered is that this significant investment on our part usually leads to the re-establishment of full-time ministry paid for by the diocese once our grant is completed. Last year the number of individuals receiving stipendiary support amounted to 5 and in the period covered by these accounts amounting to £49,500, previously we supported 3 parishes amounting to £37,000

A concerted effort was made to try and contact parishes leading up to Lent. This is the most significant period in the church's year where parishes support the Society, although quite a time consuming exercise it certainly seems to have

**COUNCIL'S AND TRUSTEES' REPORT (Continued)**

**For the year ended 30 September 2019**

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borne fruit, with the level of donations received encouraging, especially considering the challenging times we have seen recently.

The Society's investment portfolio generated a return on investment of 3.45% (2018 – 3.53%) and showed a net gain of £149,337 (2018 – £132,507) in market movement during the year.

The Trustees believe that the main emphasis of the Society should be concentrated on the encouragement of vocations within the Catholic constituency and will be considering ways in which this work will be expanded in the future so to ensure a regular supply of Catholic Ordinands.

**FINANCIAL REVIEW**

The Society maintains its unrestricted reserves at a sufficient level for it to meet the management, administration and support costs, and for the making of charitable grants. The Council will ensure that the level maintained is sufficient for the Society's current needs, and any funds not immediately required will then be invested in accordance with the Council's investment powers.

The Council has the power to invest the money of the Society which is not immediately required for its charitable purposes in investments, securities or property. All investment dealings are made in conjunction with professional advice from the Society's Investment Managers, CCLA.

The Society's investments are held in order to achieve capital growth in a moderate risk portfolio, with any additional investment income being used for the objects of the Society.

The principal funding source of the Society is the income received from donations. The expenditure on grants and vocation payments will vary and be dependent on the level of income in the year. The Society aims to grant as much of the incoming funds as possible whilst covering costs for the running of the Society.

Key management personnel are considered to be the general secretary. The total emoluments paid to key management personnel in 2019 including pension contributions was £45,771 (2018: £46,306).

**PLANS FOR FUTURE PERIODS**

In the future, the Society plans to continue in its current work and maintain the levels of grants that are being made. There are to be no changes to the objectives of the Society in the near future.

**KEY RISKS**

The Council actively and regularly reviews the major risks to which the charity is exposed and has implemented procedures designed to minimise any potential impact should any of those risks materialise.

The main areas of risk identified by the Council are:

- BREXIT – uncertainty surrounds the impact BREXIT will have on the economy within the UK and consumer spending constraints which may affect donations going forward;
- Decline in church attendance could also affect donations going forward;
- Decline in the take up of vocations

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**(A Company Limited by Guarantee and not having a Share Capital)**

**Company No. 262795**  
**Registered Charity No. 209448**

**COUNCIL'S AND TRUSTEES' REPORT (Continued)**

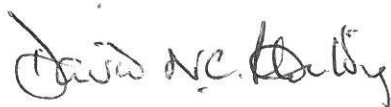
**For the year ended 30 September 2019**

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**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Council on 16 March 2020 and signed on its behalf by:



**The Revd Prebendary David Houlding**  
**(Chairman)**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

**For the year ended 30 September 2019**

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

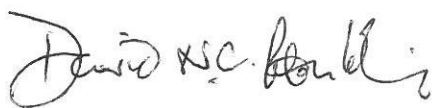
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the Trustees on 16th March 2020 and signed on its behalf by:



**The Revd Prebendary David Houlding**  
**(Chairman)**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ADDITIONAL CURATES SOCIETY**  
For the year ended 30 September 2019

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ADDITIONAL CURATES SOCIETY**

I report to the charity's Trustees on my examination of the accounts of the company for the year ended 30 September 2019.

**Responsibilities and basis for report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

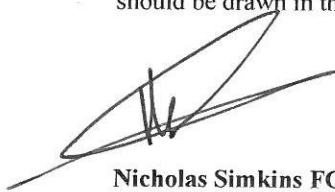
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales. I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**Nicholas Simkins FCA (ICAEW)**

The Dower House  
Bonehill  
Staffordshire  
B78 3HX

16 March 2020



**ADDITIONAL CURATES SOCIETY**  
(A Company Limited by Guarantee and not having a Share Capital)

Company No. 262795  
Registered Charity No. 209448

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)**

**For the year ended 30 September 2019**

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Voluntary Income:					
Donations		73,000	109,613	182,613	237,078
Legacies		-	100,829	100,829	9,382
Other		-	11,820	11,820	
Activities to Generate Funds:					
Turnover from sales of printing and goods		-	149,438	149,438	229,752
Investment Income		-	135,485	135,485	120,629
Bank Interest Received		-	147	147	29
<b>Total Incoming Resources</b>		<u>73,000</u>	<u>507,332</u>	<u>580,332</u>	<u>596,870</u>
<b>EXPENDITURE ON:</b>					
Costs of generating funds:					
Costs of generating voluntary income	4	18,000	133,823	151,823	147,860
Cost of goods and printing for sales	4	-	172,491	172,491	243,122
Charitable activities					
Grants (including placement grants)	3	87,695	-	87,695	95,239
Governance costs	5	-	5,350	5,350	4,789
<b>Total Expenditure</b>		<u>105,695</u>	<u>311,664</u>	<u>417,359</u>	<u>491,010</u>
Net Income/(Expenditure) before gains and losses on investments		<u>(32,695)</u>	<u>195,668</u>	<u>162,973</u>	<u>105,860</u>
Net gains from investments	8	-	149,337	149,337	132,507
Net gains on current asset investments	10	-	-	-	68,086
<b>Net Income/(Expenditure)</b>		<u>(32,695)</u>	<u>345,005</u>	<u>312,310</u>	<u>306,453</u>
<b>Other recognised (losses)/gains</b>					
Actuarial (losses)/gains on defined benefit Pension scheme	14	-	10,000	10,000	2,000
<b>Net movement in funds</b>		<u>(32,695)</u>	<u>355,005</u>	<u>322,310</u>	<u>308,453</u>
Funds Brought Forward		67,399	4,349,373	4,416,772	4,108,319
<b>Total Incoming Resources</b>		<u>34,704</u>	<u>4,704,378</u>	<u>4,739,082</u>	<u>4,416,772</u>

The notes on pages 13 to 24 form part of these financial statements.

**ADDITIONAL CURATES SOCIETY**  
**(A Company Limited by Guarantee and not having a Share Capital)**

Company No. 262795  
Registered Charity No. 209448

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)**

**For the year ended 30 September 2019**

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2018 £
<b>INCOME AND ENDOWMENTS FROM:</b>				
Voluntary Income:				
Donations		16,000	221,078	237,078
Legacies		-	9,382	9,382
Activities to Generate Funds:				
Turnover from sales of printing and goods		-	229,752	229,752
Investment Income		-	120,629	120,629
Bank Interest Received		-	29	29
<b>Total Incoming Resources</b>		<u>16,000</u>	<u>580,870</u>	<u>596,870</u>
<b>EXPENDITURE ON:</b>				
Costs of generating funds:				
Costs of generating voluntary income	4	6,003	141,857	147,860
Cost of goods and printing for sales	4	-	243,122	243,122
Charitable activities				
Grants (including placement grants)	3	16,000	79,239	95,239
Governance costs	5	-	4,789	4,789
<b>Total Expenditure</b>		<u>22,003</u>	<u>469,007</u>	<u>491,010</u>
Net (Expenditure)/Income before gains and losses on investments		<u>(6,003)</u>	<u>111,863</u>	<u>105,860</u>
Net (losses)/gains from investments	8	-	132,507	132,507
Net gains on current asset investments		-	68,086	68,086
<b>Net (Expenditure)/Income</b>		<u>(6,003)</u>	<u>312,456</u>	<u>306,453</u>
<b>Other recognised (losses)/gains</b>				
Actuarial (losses)/gains on defined benefit Pension schemes	14	-	2,000	2,000
<b>Net movement in funds</b>		<u>(6,003)</u>	<u>314,456</u>	<u>308,453</u>
Funds Brought Forward		73,402	4,034,917	4,108,319
<b>Total Incoming Resources</b>		<u>67,399</u>	<u>4,349,373</u>	<u>4,416,772</u>

**ADDITIONAL CURATES SOCIETY**  
(A Company Limited by Guarantee and not having a Share Capital)

Company No. 262795  
Registered Charity No. 209448

**BALANCE SHEET**

For the year ended 30 September 2019

	Note	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7	602,417		613,037	
Investments	8	4,055,499		3,444,991	
		<u>4,657,916</u>		<u>4,058,028</u>	
<b>CURRENT ASSETS</b>					
Debtors	9	27,013		28,943	
Investments	10	-		-	
Cash at Bank and in Hand		88,292		378,535	
		<u>115,305</u>		<u>407,478</u>	
<b>CREDITORS:</b> Amounts falling due within one year	11	(28,139)		(29,734)	
			87,166		377,744
<b>Net Assets excluding pension liability</b>			<u>4,745,082</u>		<u>4,435,772</u>
Defined benefit pension scheme liability	14	(6,000)		(19,000)	
<b>Net Assets</b>			<u><u>4,739,082</u></u>		<u><u>4,416,772</u></u>
<b>FUNDS</b>					
Restricted Funds	16/17	34,704		67,399	
Unrestricted Funds	16/17	4,704,378		4,349,373	
<b>Net Assets</b>			<u><u>4,739,082</u></u>		<u><u>4,416,772</u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

For the financial year ended 30 September 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year ended 30 September 2019 in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The notes on pages 13 to 24 form part of these financial statements.

**ADDITIONAL CURATES SOCIETY**  
(A Company Limited by Guarantee and not having a Share Capital)

Company No. 262795  
Registered Charity No. 209448

**BALANCE SHEET**

**For the year ended 30 September 2019**

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The financial statements were approved by the Trustees on 16th March 2020

The Revd Prebendary David Houlding

..... David N.C. Houlding .....

The Right Revd Anthony Robinson

..... A. Robinson .....

The Revd Canon Christopher Dunkley

..... Christopher Dunkley .....

Company Registration No. 262795  
Registered Charity No. 209448

**ADDITIONAL CURATES SOCIETY**  
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**Company No. 262795**  
**Registered Charity No. 209448**

**STATEMENT OF CASHFLOWS**

**For the year ended 30 September 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net income/(expenditure) for the reporting period	312,310	306,453
Adjustments for:		
Depreciation charges	25,620	25,620
(Gains)/Losses on investments	(149,337)	(132,507)
(Gains)/Losses on current asset investments	-	(68,086)
(Gains)/Losses on fixed assets	-	(1,803)
Pension fund movements	(3,000)	(3,000)
Dividends, interest and rents from investments	(135,632)	(120,658)
Decrease/(Increase) in stocks	-	16,127
(Increase)/Decrease in debtors	1,930	7,875
Increase/(Decrease) in creditors	(1,594)	4,294
<b>Net cash provided by operating activities</b>	<u>50,297</u>	<u>34,315</u>
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	135,632	120,658
Proceeds on disposal of current asset investments	-	205,126
Proceeds on disposal of fixed assets	-	3,351
Proceeds on disposal of investments	193,483	-
Purchase of fixed assets	(15,000)	(168,415)
Purchase of investments	(543,483)	(100,000)
<b>Net cash provided by/(used in) investing activities</b>	<u>(229,368)</u>	<u>60,720</u>
<b>Change in cash and cash equivalents in the reporting period</b>	(179,071)	95,035
Cash and cash equivalents at the beginning of the period	408,803	313,768
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>229,732</u>	<u>408,803</u>
<b>Cash and cash equivalents at the end of the reporting period comprises:</b>		
Cash at bank and in hand	88,292	378,535
Cash held on investment	141,440	30,268
	<u>229,732</u>	<u>408,803</u>

**ADDITIONAL CURATES SOCIETY**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

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**1. GENERAL INFORMATION**

The Society is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited per member of the charity.

**2. ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION AND ASSESSMENT OF GOING CONCERN**

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

Additional Curates Society 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 notes.

**b) PREPARATION OF ACCOUNTS ON GOING CONCERN BASIS**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and trustees' annual report for more information). The charity has sufficient reserves and cash in hand. There is no intention from the Trustees for the charity to cease its activities.

**c) FUND ACCOUNTING**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor, or have been raised by the charity for specified purposes. Those costs incurred in relation to such a fund are charged against the specific fund.

**d) DONATIONS RECEIVED**

Donations are credited to the Statement of Financial Activities as received.

**e) LEGACIES RECEIVED**

Legacies are credited to the Statement of Financial Activities at the point at which the Society becomes entitled to the legacy and the amount is capable of measurement.

Legacies of assets are included at their market value.

**f) INCOME FROM PRINTING AND SALES OF GOODS**

The Society undertakes some trading on its own account but the majority of the trading income is from sales of its literature including the magazine insert "Christian Life" and external printing.

**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

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**2. ACCOUNTING POLICIES (Continued)**

**g) INVESTMENT INCOME**

Dividends including the associated tax credits are recognised when received.

**h) COST OF SALES ON PRINTING ACTIVITIES AND SALES OF GOODS**

The trading expenses, including those of printing only include materials and certain overhead costs directly attributable to printing. These included the costs of staff, depreciation of related office equipment and other appropriate overheads.

**i) GRANTS PAYABLE**

Grants payable are only recognised on payment, all grants are authorised by Council members.

**j) TAX RECLAIMS**

Tax deducted from investments and gift aid income is reclaimed by the Society and is included as income in the accounts on the following basis:

- (i) Tax deducted from investment income - by reference to the date the income is received.
- (ii) Tax deducted from gift aid income - by reference to the date the tax reclaimed is received.

**k) RESOURCES EXPENDED**

Expenditure is recognised on an accruals basis as a liability is incurred.

- i) Costs of generating funds comprises the costs associated with attracting voluntary income and the costs of the charity's printing activities.
- ii) Charitable expenditure comprises those costs incurred by the charity in delivery of its activities for its beneficiaries.
- iii) Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fee, preparing the statutory accounts and costs linked to the strategic management of the charity.
- iv) All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource and costs relating to a particular activity are allocated directly to them.

The charity is partially exempt for VAT purposes, the expenditure within the financial statements being shown net of VAT, with the irrecoverable VAT being disclosed within the costs of generating voluntary income.

**l) PENSION COSTS**

The cost of providing retirement pensions is charged to the Statement of Financial Activities on the basis of a constant percentage of earnings in the case of the defined contribution scheme. Contributions to the defined benefit scheme are paid at an annual rate agreed with the Insurance Company who administer the scheme, at the start of the scheme year. The difference between the charge to the Statement of Financial Activities and the contributions paid to the schemes is shown as an asset or liability in the balance sheet.

**ADDITIONAL CURATES SOCIETY**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**2. ACCOUNTING POLICIES (Continued)**

**m) TANGIBLE FIXED ASSETS AND DEPRECIATION**

All fixed assets are capitalised and are initially recorded at cost. Depreciation is charged on a straight line basis at the following rates:

Freehold residential property	2%
Leasehold office building	Life of lease
Office furniture and equipment	10%
Computer equipment	20%

**n) INVESTMENTS**

Fixed asset investments are stated at closing mid-market value at the balance sheet date. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

**o) OPERATING LEASE AGREEMENTS**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**3. GRANTS PAYABLE**

	2019		2018	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
Institutional grants made for the support of clergy: 5	-	49,500	37,000	-
Parochial Church Councils – 23 (21 in 2018)	-	38,195	42,239	16,000
	<u>-</u>	<u>87,695</u>	<u>79,239</u>	<u>16,000</u>
	=====	=====	=====	=====

The Trustees consider the grants paid to be of public benefit.



**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**4. COSTS OF GENERATING FUNDS**

	Voluntary Income	Printing, Activities and purchases for re-sale	Total 2019	Voluntary Income	Printing, Activities and purchases for re-sale	Total 2018
	£	£	£	£	£	£
Organising expenses	31,646	-	31,646	18,721	-	18,721
Staff costs	38,625	65,430	104,055	50,403	81,363	131,766
Costs of printing activities and goods for sale	-	71,086	71,086	-	127,525	127,525
General office expenses	31,984	15,992	47,976	27,891	13,945	41,836
Postage	1,485	13,361	14,846	1,591	14,315	15,906
Telephone	1,645	3,290	4,935	1,581	3,162	4,743
Gas, electricity and water	3,782	3,094	6,876	3,435	2,812	6,247
Professional fees and bank charges	2,774	-	2,774	5,662	-	5,662
Property repairs and expenses	8,396	-	8,396	6,904	-	6,904
Vocations	6,104	-	6,104	6,003	-	6,003
Depreciation:						
Freehold property	1,857	-	1,857	1,857	-	1,857
Leasehold property	2,747	-	2,747	2,747	-	2,747
Office furniture and equipment	21,016	-	21,016	21,016	-	21,016
Irrecoverable VAT	-	-	-	49	-	49
	<u>151,823</u>	<u>172,491</u>	<u>324,314</u>	<u>147,860</u>	<u>243,122</u>	<u>390,982</u>

Voluntary income above includes £18,000 (2018: £6,003) of staff costs which are funded through restricted funds.

**5. GOVERNANCE COSTS**

	2019 £	2018 £
Independent Examination	3,200	3,100
Council Meeting and members expenses	2,150	1,689
	<u>5,350</u>	<u>4,789</u>

**ADDITIONAL CURATES SOCIETY**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

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Vocations	6,104	-	6,104	6,003	-	6,003
Depreciation:						
Freehold property	1,857	-	1,857	1,857	-	1,857
Leasehold property	2,747	-	2,747	2,747	-	2,747
Office furniture and equipment	21,016	-	21,016	21,016	-	21,016
Irrecoverable VAT	-	-	-	49	-	49
	<u>151,823</u>	<u>172,491</u>	<u>324,314</u>	<u>147,860</u>	<u>243,122</u>	<u>390,982</u>

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**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**6. STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and Salaries (including benefits in kind)	90,558	115,295
Social Security Costs	6,469	9,737
Pension Costs	7,028	6,734
	<u><b>104,055</b></u>	<u><b>131,766</b></u>

No employee earned £60,000 pa or more. Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

No remuneration was paid or is payable to the Council members for the year (2018 - £Nil). The General Secretary is considered to be the key management of the Charity. The total emoluments of key management personnel for the Charity were £45,771 (2018 - £46,306).

Expenses reimbursed to Council members for the costs of travelling to attend meetings amounted to £2,150 (3 meetings), 2018 - £1,689 (3 meetings). Of the 12 Council members who served during the year the number receiving reimbursements of expenses was 8 (2018 - 12).

The average number of employees of the Society during the year was:

	<b>2019</b>	<b>2018</b>
	<b>No</b>	<b>No</b>
Support of the charitable activities	1	1
Trading	2	5
	<u><b>3</b></u>	<u><b>6</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**7. TANGIBLE FIXED ASSETS**

	<b>Leasehold Property £</b>	<b>Freehold Property £</b>	<b>Furniture &amp; Equipment £</b>	<b>Total £</b>
<b>COST</b>				
1 October 2018	380,500	92,825	209,652	682,977
Additions	-	15,000	-	15,000
Disposal	-	-	-	-
30 September 2019	<u><b>380,500</b></u>	<u><b>107,825</b></u>	<u><b>209,652</b></u>	<u><b>697,977</b></u>
<b>ACCUMULATED DEPRECIATION</b>				
1 October 2018	3,434	35,276	31,230	69,940
Charge for the year	2,747	1,857	21,016	25,620
Disposal	-	-	-	-
30 September 2019	<u><b>6,181</b></u>	<u><b>37,133</b></u>	<u><b>52,246</b></u>	<u><b>95,560</b></u>
<b>NET BOOK VALUE</b>				
30 September 2019	<u><b>374,319</b></u>	<u><b>70,692</b></u>	<u><b>157,406</b></u>	<u><b>602,417</b></u>
30 September 2018	<u><b>377,066</b></u>	<u><b>57,549</b></u>	<u><b>178,422</b></u>	<u><b>613,037</b></u>

All tangible fixed assets are used in the printing activities or in the management and administration of the charity.

In the opinion of the Trustees the freehold property valuation is not materially different from the original cost.

Leasehold property has been depreciated in line with the life of the lease.

**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**8. INVESTMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
LISTED INVESTMENTS:		
Market value at 1 October	3,264,721	3,032,214
Acquisitions at cost	543,483	100,000
Sales proceeds for disposals	(193,483)	-
Gains in the year	149,337	132,507
Market value at 30 September	<u><u>3,764,058</u></u>	<u><u>3,264,721</u></u>
National Savings Income Bonds	150,000	150,000
Cash held for investments	141,441	30,270
	<u><u>291,441</u></u>	<u><u>180,270</u></u>
Total as at 30 September	<u><u>4,055,499</u></u>	<u><u>3,444,991</u></u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
The historic cost of investments	<u><u>2,225,974</u></u>	<u><u>1,881,907</u></u>

Investments in individual entities held at 30 September 2019 which are over 5% of portfolio by value are:

	<b>£</b>
88,717 M & G Charifund Income Units	1,409,622
74,269 CBF Church of England Investment Fund Income Units	1,382,632
29,245 CBF Church of England Investment Fund Income Shares	544,437
6,360 CBF Church of England Investment Fund Accumulation Shares	<u><u>276,685</u></u>

**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**9. DEBTORS**

	2019 £	2018 £
Trade Debtors	2,143	12,688
Prepayments	2,875	4,266
Legacies Receivable	11,498	5,566
Other Debtors	10,497	6,423
	<u>27,013</u>	<u>28,943</u>

**10. CURRENT ASSET INVESTMENTS**

	2019 £	2018 £
Brought Forward	-	137,040
Sales Proceeds	-	(205,126)
Profit on Disposal	-	68,086
	<u>-</u>	<u>-</u>

Freehold office property was transferred to current asset investments from fixed assets at net book value in 2017. This property was sold in 2018.

**11. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Trade Creditors	13	8,489
Accruals	28,126	18,184
Other Taxation and Social Security	-	2,201
VAT	-	860
	<u>28,139</u>	<u>29,734</u>

**12. FINANCIAL COMMITMENTS**

Capital Commitments

There were no capital commitments authorised but not contracted for at the year end (2018 - £nil).

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**13. OPERATING LEASES**

	2019 £	2018 £
Within one year	3,168	3,168
Between two and five years	7,920	11,088
More than five years	-	-
	<u>11,088</u>	<u>14,256</u>

**14. PENSION COSTS / LIABILITY**

The Society runs both a money purchase and a defined benefit pension scheme. The funds are held by an insurance company and are separate from the assets of the Society.

Additional Curates Society participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which hold 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 specific Responsible Body, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2019: £3,000, 2018: £3,000), plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4%.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowances for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**14. PENSION COSTS/ LIABILITY (continued)**

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) are as set out in the table below.

**% of pensionable stipends**

	<b>Jan 18 to Dec 20</b>	<b>Jan 21 to Dec 22</b>
Deficit repair contribution	11.9%	7.1%

As at December 17 and December 18, the deficit recovery contributions under the recovery plan in force were 11.9% of pensionable stipends until December 2025.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2018 is set out in the table below:

	<b>2019 £</b>	<b>2018 £</b>
Balance as at 1 October	19,000	24,000
Deficit contribution paid	(3,000)	(3,000)
Actuarial (gains)/losses recognised through SoFA	(10,000)	(2,000)
Balance as at 30 September	<u>6,000</u>	<u>19,000</u>

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	<b>2019 % p.a.</b>	<b>2018 % p.a.</b>	<b>2017 % p.a.</b>	<b>2016 % p.a.</b>	<b>20 % p.</b>
Discount rate	1.1	1.4	1.5	2.1	1.4
Price inflation	2.8	8.0	3.1	3.1	8.0
Increase to total pensionable payroll	1.3	1.5	1.6	1.6	1.4

The legal structure of the scheme is such that if another responsible fails, the employer could become responsible for paying a share of that employers pension liabilities.



**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

**15. MEMBERS' LIABILITY**

The liability of the members is limited on a winding up to a sum not exceeding £5 each. (The company is limited by guarantee and therefore does not have a share capital.)

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total £</b>
Tangible Fixed Assets	-	602,417	602,417
Investments	-	4,055,499	4,055,499
Current Assets	34,704	80,601	115,305
Current Liabilities	-	(28,139)	(28,139)
Pension Liability	-	(6,000)	(6,000)
	<b>34,704</b>	<b>4,704,378</b>	<b>4,739,082</b>

**17. FUNDS**

	<b>Balance at 30 Sep 2018 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Balance at 30 Sep 2019 £</b>
<b>Restricted</b>				
Grants and Vocations	43,997	55,000	(87,695)	11,302
St Anne's, Derby	23,402	-	-	23,402
Confraternity of the Blessed Sacrament	-	12,000	(12,000)	-
Church Union	-	6,000	(6,000)	-
	<b>67,399</b>	<b>73,000</b>	<b>(105,695)</b>	<b>34,704</b>

The funding received for grants and vocations was received specifically for the purpose of supporting the vocations work.

The funding received for St Anne's, Derby was received specifically for the accommodation costs of an Assistant Priest.

The funding received from the Confraternity of the Blessed Sacrament was received to fund grants.

	<b>2019 £</b>	<b>2018 £</b>
<b>Unrestricted</b>		
Balance at 30 September 2018	4,349,373	4,034,917
Incoming resources	507,332	580,870
Outgoing resources	(311,664)	(469,007)
Other gains/(losses)	159,337	202,593
	<b>4,704,378</b>	<b>4,349,373</b>

**ADDITIONAL CURATES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2019**

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**18. RELATED PARTY TRANSACTIONS**

The General Secretary, Father Darren Smith, is a trustee of the Confraternity of the Blessed Sacrament. During the year the Confraternity of the Blessed Sacrament donated funds of £12,000 towards the running costs of the charity (2018: £16,000 for grants and £17,000 towards running costs).

The General Secretary, Father Darren Smith, is a trustee of the Church Union. During the year, the Church Union made donations of £6,000 towards the running costs of the charity (2018: £6,750). The Church Union were invoiced £11,820 (2018: £nil) in relation to rental of office and car parking space.