

**Church Army (The)
Reports and Financial Statements
Year Ended 31 March 2018**

Charity registration numbers: 226226 and SC040457
Company registration number: 37169

Church Army (The)

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Charity Reference and Administrative Details

Year Ended 31 March 2018

Patron	HM The Queen
President	The Rt Rev & Rt Hon Lord Williams of Oystermouth
Vice Presidents	<p>The Rt Rev Bruce Cameron The Most Rev Dr Richard Clarke The Most Revd John Davies (elected 23/11/2017) The Rt Rev Lord Eames of Armagh The Rt Rev Dr Alan Harper OBE The Most Rev Dr Michael Jackson Dr Bill Lattimer Ann Marsh The Most Rev Barry Morgan Pam Rhodes The Most Rev & Rt Hon John Sentamu June Simpson The Most Revd Mark Strange (elected 23/11/2017) Roy Totten The Rt Rev Michael Turnbull The Most Rev & Rt Hon Justin Welby</p>
Trustees and Board	<p>Chair: The Rt Rev Stephen Cottrell</p> <p>Vice Chair: The Rev Jude Davis</p> <p>Honorary Treasurer: John Whitfield</p> <p>The Rt Rev Alan Abernethy The Ven Dr John Applegate The Rev Captain Robert Barker CA (resigned 24/07/2018) Christine Corteen Joanna Cox Steve Eccleston The Rev Sam Follett The Rt Rev Dr Robert Gillies Sister Canon Dorothy Needham CA (resigned 23/11/2017) Revd Canon Lusa Nsenga-Ngoy (appointed 12/03/2018) Captain Graham Nunn CA The Rt Revd Joanna Penberthy (elected 23/11/2017) Canon Mark Russell Sister Karen Webb CA (elected 23/11/2017)</p>
Chief Executive	Canon Mark Russell
Company Secretary	Des Scott
Senior Leadership Team	<p>Canon Mark Russell (Chief Executive) Des Scott (Deputy Chief Executive and Company Secretary) Captain Andrew Chadwick CA (Dean of Community) Captain Neville Willerton CA (National Operations Manager) Sister Sheelagh Easby CA (Associate Member)</p>

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Year Ended 31 March 2018

Registered office	Wilson Carlile Centre 50 Cavendish Street Sheffield S3 7RZ Telephone 0300 123 2113 Email: info@churcharmy.org
Auditors	BHP LLP Sheffield
Solicitors	Cooper Burnett LLP Anthony Collins Solicitors LLP
Bankers	Barclays Bank PLC Unity Trust Bank PLC
Actuaries	First Actuarial PLC
Investment Managers	Ruffer LLP
Charity registration numbers	226226 and SC040457
Company registration number	37169

Church Army (The)

Welcome from the Chair and Chief Executive

Year Ended 31 March 2018

Welcome from the Chair and Chief Executive

It is a pleasure to introduce the *Annual Report* for the work done by Church Army in 2017/18.

Our teams continue to implement Church Army's DARE strategy: Doing, Advocating, Resourcing and Enabling evangelism. This has been another encouraging year with significant growth in many areas of our work. We continue to see an incredible expansion in the number of centres of mission doing evangelism across the UK and Ireland. Our teams are working with over 14,500 people each month, alongside young people, the elderly, those in need, and we are serving communities that traditional church has often not been able to reach.

The Marylebone Project continues to be a leader in serving homeless women in London, and last year provided just short of 39,000 nights of accommodation, and our youth homeless projects in Cardiff provided almost 7,000 nights of accommodation for young people. The Board is remarkably proud of all our teams who work tirelessly with those in need, and seek to love people back into life.

Our DARE strategy commits Church Army to Advocating evangelism, and our teams continue to speak at conferences, and in churches across these islands to inspire and enthuse the wider church in mission. Our Research Unit, under its new Director, Dr Tim Ling, is leading thinking around what works in mission, and this year delivered a major piece of research on evangelism with young adults, which was funded by the Church Commissioners of England.

We are Resourcing and Enabling evangelism as well, and we have seen a doubling of the number of people training to be Church Army evangelists and numbers enquiring to join are at the highest level they've been for many years. Our cutting edge Xplore programme has 43 young people being mentored and equipped in pioneering evangelism, up from 35 last year.

Church Army continues to work towards our vision, "*for everyone everywhere to encounter God's love and be empowered to transform their communities through faith shared in word and action.*" We continue to live out our values, we are generous, risk-taking, accountable, collaborative, expectant, unconditional and prayerful. We're proud to be Church Army, the boots on the ground changing communities. Last year, we successfully rebranded Church Army, giving a modern, purposeful and confident identity that stays true to our heritage yet looks to the future.

Thank you for choosing to stand with us, and thank you for your support for what we do. While we are Church Army, we can't do what we do without the love, prayers and generosity of thousands of people. We thank God for you and for our partnership in the Gospel.

Grace and peace,

+ Stephen Chelmsford

Rt Revd Stephen Cottrell
Bishop of Chelmsford
Chair of Church Army Board



Canon Mark Russell
Chief Executive

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

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 2018. 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.

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. Most 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 like Xplore, the Marylebone Project, Cardiff Residential Services and the Amber Project, all in fulfilment of our charitable objectives.

Our work includes:

- preventing homelessness
- supporting women caught up in prostitution
- building community on housing estates
- helping people trapped in debt
- self-harm prevention
- 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

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Other key work includes:

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

Our mission:

To enable people to come to a living faith in Jesus Christ

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:

- **Prayerful:** Listening to God, being obedient to God; we want to be like Jesus in our life and witness
- **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, ability, status or circumstances
- **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
- **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

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

- We will continue to explore exciting new developments in evangelism and social action through our centres of mission, projects, partnerships and opportunities provided through other organisations
- We will continue working with dioceses across these islands to establish a further five new centres of mission, building on recent successes in geographical areas in the British Isles and Ireland in which we are not currently working
- We will continue to demonstrate God's love unconditionally to all; particularly through our work in communities, with the homeless and with vulnerable people

Measures

- Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives
- The effectiveness of our partnerships to set up new centres of mission in areas where need is identified
- The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues
- Our Education and Training programmes uptake
- 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

New centres of mission to transform lives

The 2017/2018 financial year has been a busy one for our centres of mission, which has seen numerous launches across the UK and Ireland.

In July 2017, we launched a centre of mission in Scunthorpe, a partnership with the Diocese of Lincoln. **Sean Andrews** was appointed as the centre's lead evangelist and **Paul McDonough** as the pioneer evangelist. The focus of the work will be to create new Christian communities on the Berkeley, Westcliff and Riddings housing estates.

In September 2017, we launched the Drumcliffe Centre of Mission in partnership with the diocese of Kilmore, Elphin & Ardagh, which is our second centre of mission in the Republic of Ireland to date. Drumcliffe, in County Sligo, is the site of the historic monastery established by St Columba, who was instrumental in sending missionaries across these islands. **Isaac Hanna** has been appointed as the lead evangelist, and he is supported by pioneer evangelist, **Alan Williamson**. Drawing inspiration from the ancient spiritual legacy of the Drumcliffe site, this project will see the reopening of an ancient 'spiritual well' which re-imagines the Celtic Church's approach to mission and ministry for the modern era.

Our Liverpool Centre of Mission was opened in November 2017, with **Paul Smith** as the centre's lead evangelist and **Cherith Collins** as the pioneer evangelist. The Centre of Mission is based in Norris Green and we have partnered with the Diocese of Liverpool with the aim of growing both the number of congregations and the numbers within those congregations.

In February 2018, the Chatham Centre of Mission was launched in a nightclub in the heart of Chatham town centre. The centre's lead evangelist, **Stephen Ramshaw**, has worked with the Diocese of Rochester to start up a fresh expression of church in the Tap 'n' Tin nightclub.

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That same month, we launched two centres of mission with the Norwich diocese, in an urban and rural context respectively. The King's Lynn Centre of Mission is headed by James Hawksworth, while Trevor Clarke leads the Redenhall Centre of Mission.

During the year, the Chester Centre of Mission came to a close. We are truly thankful for all that evangelists Rob Barker, James Wilkinson and Colin Harris have achieved through the centre of mission

The uptake of our Education and Training programmes, showing how people are making use of our resources and taking part in our training, are also highlighted in subsequent sections of this *Annual Report*.

We currently have a total of 21 centres of mission and we're hugely encouraged by the growth both in numbers and activity levels which we have experienced this year. Church Army's goal is to have 50 centres of mission in place by 2027, so that we can realise our vision: *"for everyone everywhere to encounter God's love and be empowered to transform their communities."*

**Neville Willerton,
National Operations Manager**

Where we are doing evangelism

Activities in England

In England, we have 213 evangelists (not all of them employed by Church Army) across 39 dioceses. Twelve centres of mission were in operation in Bradford, Chester, Greenwich, Kings Lynn, Liverpool, Redenhall, Scunthorpe, Selby, Sheffield, Southampton, Thanet and Torbay. Our work also includes helping women who have experienced homelessness, addiction and prostitution. This is done through the Marylebone Project for homeless women in London and non-residential projects around the country, such as our project for vulnerable women in the North of England. Our Chester Centre of Mission came to an end during the year and we are grateful for all the lives they were able to touch.

Activities in Wales

Nine of our evangelists are based in Wales, together with Church Army Residential Services for homeless young people and the Amber Project for those aged 14 to 25 who experience self-harm. We have three centres of mission in operation in Wales: St David's, St Asaph and Llandaff Centres of Mission.

Activities in Scotland

Seven of our evangelists work in Scotland. The Grafted Project, based in Newcastleton and Hawick, is the focus of our Scottish Borders Centre of Mission. We also have a centre of mission in Dundee which works extensively with the homeless and marginalised. There are plans for two additional centres of mission, in Central Fife and Edinburgh, to open in the year ahead. Church Army is registered with the Office of the Scottish Charity Regulator.

Activities in Ireland

Twenty-three of our evangelists are based in Ireland, four of who are working in the Republic of Ireland. The Drumcliffe Centre of Mission was launched in September 2017. It aims to be a focal point for outreach both to people living in the West of Ireland and to the many visitors to the area. The Ballina Centre of Mission (previously called the Tuam Centre of Mission) is also based in the Republic of Ireland. The North Belfast Centre of Mission is currently our only centre of mission in Northern Ireland and partners with the charities Christians Against Poverty and Transforming Lives for Good to become a hub for the area. Church Army is registered with the Charities Regulatory Authority in the Republic of Ireland.

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In addition to the evangelists recorded above, one Church Army evangelist works in Guernsey, another evangelist works within the Diocese in Europe and 173 are retired from stipendiary ministry, although many are still active in their local churches and communities.

What people being helped by our centres of mission say:

Scottish Borders:

One of the objectives of our Scottish Borders Centre of Mission is to help men battling addictions, poor health, low self-esteem and difficult life circumstances through outdoor activities such as walking football, hill-walking and cycling. We hear from some of the men helped by the centre of mission:

Colin (53) - fighting alcohol

Isolation is a big problem in this part of the world and people can easily get trapped in a vicious circle of isolation, depression and addiction. My weakness is drink. I've struggled with alcohol addiction for many years - perhaps it's a way of coping with other problems in my life. When I drink, my personality changes. It makes me want to pick a fight with someone.

I met [Church Army evangelist] Paul at the Window of Time drop-in centre. He invited me to join their walking football group and I've been going for about a year now. They're a good bunch of guys. We love to share a laugh but there's also a lot of respect among us.

My faith has got deeper since I started taking part in the events run by the Scottish Borders Centre of Mission. I pray for strength to fight my drinking problem. I've been clean for over three months now. I know that God listens to me when I pray, as he knows when someone is praying from the heart.

Peter (59) - fighting Parkinson's

When I was in my late 40s, I was diagnosed with Parkinson's disease. It's a disease that's different from day to day; it's always throwing something new at me. It causes me a lot of pain and discomfort and I struggle to sleep. It's important not to give into it and end up just sitting in front of the telly, feeling sorry for myself.

I had to give up my job as an electrical tester because of Parkinson's and eventually I couldn't drive my car anymore. [Church Army evangelist] Paul has been such a blessing to me. He got me a trike to get around on. I also take part in the walking football he organises and I've made good friends with the guys who go there, including three other guys who suffer from Parkinson's. It's nice to enjoy a coffee or go for a pizza together after the game.

Paul comes to visit me at home and we do lots of 'lad' things, like watching football games together. He has a strong spirituality and I can talk to him openly about matters of faith. I've given my life to the Lord and I worship at Refresh Community Church in Newcastleton. I also go to Bible study every Tuesday.

Kenny (58) - fighting loneliness

When I was 31, I tried to commit suicide. I was suffering from depression and took an overdose of sleeping pills. I know it's thanks to Jesus that I survived.

I met [Church Army evangelist] Paul in 2010 at the Window of Time drop-in. I can talk to him about anything, and he genuinely has an answer to all my faith questions. We all need someone we can talk to about the deeper things in life. I take part in the weekly walking football games - that's where us 50-plus guys get a chance to do some exercise and - I really enjoy it.

I love to write poetry and my cycling trips with Paul have inspired a lot of my poems. Our cycling excursions are very special to me; we see some beautiful and it gives me such a feeling of well-being. You feel closer to God when you're surrounded by nature.

I live on my own, I've never been married and I don't have any children. It can get quite lonely at times, so taking part in the different events and activities Paul sets up really improves the quality of my life. [Church Army evangelists] Paul and Julie mean a lot to me. Before I met them, I was very withdrawn, isolated from the community and rather self-centred. Paul has helped me to broaden my horizons. I'm a much braver and happier person now, thanks to Church Army.

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Selby Centre of Mission:

The Selby Centre of Mission runs a bus project on the Flaxley Road estate in Selby, North Yorkshire, providing local young people with a safe place to explore faith and address life issues such as family problems, low self-esteem, addictions and anti-social behaviour. A weekly self-harm group is also held on the bus.

Lucy (15)

I've been going to the bus project for over a year now. I like coming here because it's nice to be with my mates and learn about God together. It's a good environment to be in. When I was younger, I didn't know much about God. I feel that now I do and I've learnt that Jesus is always with me. I go to Bible study and pray a lot more than I used to, which helps me to get through the tough times in my life. I consider [Church Army evangelists] Neil and Richard my friends and I feel comfortable talking to them about my problems. I used to self-harm because I saw it as a way of letting out the pain I felt inside. After attending the self-harm group on the bus, I don't hurt myself anymore. It's good to know that someone at the bus project is always there for me."

Josh (14)

I've been part of the Edge Community since I was eight years old, when I started attending the Jaffa after school club. Over the years, I've taken part in their holiday clubs and summer camps. I've been going to the bus project for almost three years now, it's great, and a lot of my friends go there too. I'm also learning how to follow Jesus. I've learnt that when I let him into my heart, he helps me. I can go and talk to [Church Army evangelist] Neil when I'm feeling down and we pray together.

Katie (17)

I like being part of the bus project. The people are really nice and I know I'm always welcome to pop in for a chat. The bus is a place where I feel safe. We get together on a Wednesday night and discuss Bible stories, listen to music, dance, draw and do lots of other activities together. I didn't believe in God at all before. Now, when I'm feeling down, I know that I can turn to Jesus and he'll make me feel better.

Our work with the homeless

During the past financial year, Church Army remained committed to its homeless projects; namely the Marylebone Project in London and Church Army Residential Services in Cardiff.

The Marylebone Project

46 women settled into independent living
38,743 nights of accommodation provided to homeless women
7,492 visits to the Day Centre
531 women taking part in our *Women into Work* programme
96% occupancy of emergency beds

The Marylebone Project in London is our project for vulnerable, homeless women. It's one of the largest of its kind in the United Kingdom.

Our aim is to empower formerly homeless women towards independent living by helping them to make informed choices about their lives. The project comprises two hostels with a total of 112 beds, a Day Centre (providing women with practical advice, showers, laundry facilities and a luggage store) and a social enterprise project.

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During the financial year, the Marylebone Project successfully resettled 46 women back into independent living. The number of women moving out during 2017/2018 is less compared to the previous period owing to the reduction in housing association properties becoming available, combined with the continued difficulty in securing accommodation within the private rented sector. The latter is due to issues of affordability for the women and a reluctance by landlords to accommodate people moving out of supported housing projects. We look forward to a senior government minister visiting in the year ahead, when we will have an opportunity to discuss the urgency of the issue with him.

Overall, we provided 38,743 bed nights to women. Our four emergency beds provided an average of 96% occupancy for the entire period which allowed time for refurbishment and complete redecoration. We also provided 1,401 nights of emergency accommodation during the year.

The Day Centre received 7,492 visits during the year. It includes 216 new visitors to the centre, 220 women who made use of our clothing store and 252 female rough sleepers who consulted of our advice service.

The Marylebone Project's *Women into Work* programme, which equips and trains formerly homeless women to find a job, had 531 participants during the financial year. The women can also take part in many other courses and activities organised by the project, such as life coaching, confidence-building workshops, guitar lessons, drama workshops and knitting classes, to name a few.

Our social enterprise project comprises *Munch in Marylebone*, which builds the women's skills by offering them practical experience and helping with placement support in cooking and catering roles and *Space in Marylebone*, offering room hire, which provides the women with customer service experience. Over 150 women participated in our social enterprise projects during the financial year.

In November 2017, BNP Paribas hosted a Skate Day event at Somerset House and raised £30,586 for the Marylebone Project. The funds will provide accommodation to women with no access to public welfare support and allow us to employ a part-time immigration specialist for a year. The project also secured funding from the Tesco Mini Bags of Care scheme (a Tesco and Groundwork initiative which has enabled us to start up a garden project for the women to relax in and to give them the opportunity of learning gardening skills. The herbs and vegetables planted will provide food for rough sleepers as well as our social enterprise project, *Munch in Marylebone*.

What the women at the Marylebone Project say:

Gina (34) is originally from Russia

Thanks to Munch in Marylebone, I've discovered a passion for cooking. I enjoy making a variety of food - from soup to cakes - and hope that the people who eat the meals enjoy what I've prepared too! [Munch in Marylebone Catering Coordinator] Leyla is really nice and helps me a lot. I've formed very good relationships with the other women who take part in Munch in Marylebone too. The project has helped me to feel good about myself.

Feli (53) is originally from The Philippines

I've been coming to Munch in Marylebone for three years now, and I absolutely love it. There's a family feel in our kitchens, and I know the staff members and other women care about me. I'm a victim of domestic abuse. When I finally left my husband, I had nowhere to go, and ended up homeless. The Marylebone Project staff have been fantastic with me: I can come here to have a meal, a shower, wash my clothes and enjoy some company. Thanks to Munch in Marylebone, I now have my Food Hygiene Level 2 Certificate. I'd like to go back to college and study catering, my dream is to become a professional chef. Cooking makes me 'smile' inside. When I most needed help, I found the Marylebone Project - I know it's God that brought me here.

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Church Army Residential Services

6,799 nights of accommodation provided to homeless young people in Cardiff

74 young people received support and accommodation during the financial year, 42 of which were new referrals

Church Army Residential Services provides accommodation to homeless young people aged 16 to 21 living in Cardiff, supporting them into independent living.

During the period April 2017 to March 2018, Church Army received 55 referrals for accommodation and support and we were able to accept 42 of them. Including the young people already part of our services, 74 young people received our support during the year (60 young people through Ty Bronna and 14 through Ty Danescourt). In total, the service provided 6,799 nights of accommodation to homeless young people in Cardiff.

Eight young people returned to live with family and friends, which we see as a positive move, as the time spent away from family members gave them the opportunity to rebuild healthy relationships in their lives. Nine of our young people secured tenancies in the private rented sector (three of them with housing associations) while 29 others moved to other supported housing projects as part of their progression towards independent living or went on to receive further specialist support.

The project offers two stages of accommodation:

Ty Bronna

Young people access our service because of relationship breakdown with parents, step-parents or foster carers. Many have experienced long-term problems at home, often involving violence or other abusive situations. Ty Bronna offers them a safe place to stay, with 24-hour supported housing.

Our first stage of accommodation focuses on developing a wide range of independent living skills which include self-care and personal hygiene, maintaining a clean environment and home management. We help the young people to build the skills they need to shop independently and on meal planning and preparation through our in-house cookery workshops.

Ty Danescourt

When a young person is ready for the next stage of independent living, they are referred to Ty Danescourt.

The majority of Ty Danescourt's young residents are engaged in or actively pursuing education, training or employment opportunities. Most of the young people currently living in this second stage of accommodation have been attending college and undertaking studies in hairdressing, health and social care, construction, hospitality or customer services.

As part of the ongoing review by Cardiff County Council of their responsibilities towards homeless young people, they provide a 'training flat' scheme for young people currently accommodated in hostels and supported housing services. The scheme allocates a self-contained flat for young people, who are ready to move into independent living. During the period April 2017 to March 2018, we supported 18 young people move into independent accommodation, nine of who found homes in the council's training flat scheme.

Thanks to the generosity of our supporters, we have been able to provide every young person with starter pack containing basic household items needed to set up their new home.

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Church Army Residential Services continues to offer passes to its young residents to the local leisure centre, so that they can make use of the fitness classes and swimming pool. These activities improve the quality of the young people's lives by promoting a sense of physical and mental well-being.

Visit www.churcharmy.org/cars

What Ty Bronna's young people say about us:

Curtis (19)

I was in a very dark place before moving to Ty Bronna. I was addicted to cocaine, I used to steal and get drunk all the time. I've been living at Ty Bronna about seven months now, and it feels like home. I get along well with the other young people who live here. We have two communal lounges and we often cook and have a meal together. Sometimes, we go out and do things together, like go-karting.

The staff at Ty Bronna and my support worker have helped me to take control of my life. They've given me loads of advice and support. I've learnt you can't just sit around and wait for something to happen - you need to get out there and make things happen.

My family has noticed a big change in me - I'm not angry all the time like I used to be. Church Army has helped me to be a better person.

Josh (21)

My mother died when I was very young. I've been living in Ty Bronna about three months now. I like living here, I've made some good friends with the other young people, and the staff members are really nice.

Living at Ty Bronna is preparing me to be able to live in my own home. I've learnt to cook, clean and budget my money. Church Army Residential Services has helped me to believe in myself more.

The Amber Project

The Amber Project in Cardiff supports young people aged 14 to 25 who are experiencing self-harm, aiming to be a vital safety net for them by creating an environment that is safe, welcoming and non-judgemental.

Self-harm often presents itself because of complex underlying problems. The Amber Project helps young people to develop more appropriate ways of handling their problems by boosting their self-esteem and emotional resilience. We aim to provide them with lifelong skills and strategies to cope with life's challenges.

During 2017, we took 135 referrals compared to 114 in the previous year. We are also seeing a marked increase in the complexity of needs and, increasingly, we're working with young people who are suicidal, which has led to an unprecedented demand for our counselling service.

The Amber Project offers counselling, support with practical issues such as housing and benefits, and a range of workshops, including music, creative groups and theatre. This multi-layered support works well and allows the young people to grow, develop and move forward in many different areas of their lives. Many of the young people say that the sense of belonging and community that they get from Amber is a very valuable part of what the project provides.

During 2017/18, we helped the Small World Theatre in Cardigan, West Wales, to set up The Amethyst Project Cardigan to help young people who self-harm. Funding from The Jerusalem Trust has enabled us to provide a comprehensive package of support to the Small World Theatre, including self-harm training for their staff. We have also provided training for MIND Cymru Youth Mental Health First Aid Trainers, and delivered basic self-harm awareness training to teachers and classroom assistants. We also ran a pilot training programme for the National Fostering Agency.

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The rates of self-harm in transgender young people is much higher than among the general population. At present Wales doesn't have a Gender Identity Clinic, a fact which leads to trans young people being required to travel to London for appointments, all too frequently experiencing long waiting times to access the support that they need. We have been working on a project in partnership with Transform Cymru to support transgender young people; together with young people who are exploring their gender identity who self-harm in Cardiff and the Vale of Glamorgan. The pilot of the project is being funded by BBC Children in Need and will commence in May 2018.

To find out more about the project, visit www.amberproject.org

What the young people at the Amber Project say:

Channing (21)

I've been self-harming since I was 12. I have 10 hours of therapy a week, but Amber is by far the best support group I go to. The drama workshops are a lot of fun, we play games and have a good laugh together. We also explore serious issues through role-playing and acting. It's a really good mix. You can talk to the staff here about anything, they're so supportive. You can tell they genuinely care. With the other young people, we're not just in a group together - we're friends. They're going through the same things as I am, so I can be myself around them. It's good to get out and go to the Amber Project, rather than just lying in bed feeling depressed. It gives me something to look forward to. I know I can come here feeling rubbish and by the end of the session, I'll be OK. The Amber Project is the one thing that always makes me feel better.

Ryan (22)

I've been coming to The Amber Project for the last seven months and I haven't self-harmed once since I joined. Before, I was so shy, I found it difficult to speak to people, and I was scared of being judged.

At the drama workshop we do a lot of activities that help us in real life situations, like handshaking and eye contact games. I've noticed how this has helped me outside of the project too. Now, I chat to strangers on the bus, joke with them, and enjoy interacting with others.

The Amber Project has also helped me to cope with my problems. Before, I would sit alone in my bedroom drinking alcohol. Now, I'll go outside for a walk, and enjoy the fresh air and nature, or watch a comedy to lift my spirits.

I acted in The Amber Project's pantomime last Christmas. After that, I feel I can do anything. Since I was a child I've wanted to become an actor and I'm going to try and make that happen. I have auditions coming up next month. I have the confidence now to just go for it!

The project has made me realise what I'm capable of doing if I set my mind to something. It's no exaggeration to say that The Amber Project has changed my life.

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Objective 2:

Advocating evangelism

In last year's *Annual Report*, we set out the following objectives and measures:

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
- 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
- Through the evidence-based research of our Research Unit, which leads to dioceses reviewing their mission strategies
- 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

Inspiring church leaders

Advocating evangelism to church leaders is crucial to our DARE strategy. Our Senior Leadership, Research and Training teams have been involved in speaking at 90 events in the United Kingdom and Ireland during the financial year. These have included speaking engagements at conferences, theological colleges and diocesan events.

Encouraging the wider church: Church Army speaking engagements

104 speaking engagements in churches

Encouraging churches in evangelism and inspiring them about our work is achieved through regular speaking engagements by our evangelists nationwide, whether through Sunday services or events during the week. Our evangelists took part in 104 speaking engagements across the country during the 2017/2018 financial year. Church Army September, a dedicated month where churches are given the opportunity to hear directly from our evangelists about our life-changing work, resulted in 29 speaking engagements.

Some recent feedback we've received from churches:

"Yvonne Desroches was an excellent speaker. Her input and style were much appreciated by our congregation. She certainly set a very high standard for other visiting speakers to follow."
Tim Over, St Peter's Mancetter, Warwickshire

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"Tim Hyde's visit went down very well indeed. He's clearly an experienced speaker and his slides, videos and stories were just what we wanted. It's five stars for Tim!" Rev Chris Bessant, Chobham St Lawrence with Valley End St Saviour, Surrey

"Graham Nunn used his considerable skills with words and magic to clearly state the gospel message. Not a sound was made during this time and everyone engaged with him - not always the case when you have a dominance of non-Christians in the room! Powerful stuff and many were very reflective afterwards." Clive Purser, St Michael's in Bishop's Itchington, Southam

Church of England Archbishops' Evangelism Task Group

Our Chief Executive, Mark Russell, has continued to serve on the Archbishops' Evangelism Task Group, where he has taken a lead in helping to inspire the church to invest more in children's and youth work.

Over the year, Mark has been instrumental in helping to set up a Youth Evangelism Task Group to continue this important work once the Archbishops' Task Group comes to an end in May 2018. He will be part of the group that will work alongside the Bishop of Southwell and Nottingham - who serves as the Bishop for Youth Evangelism - to ensure mission to and with young people remains high on the church agenda.

Another area of the task group's work that Mark has been involved in has been the work to renew the church's mission on outer estates. Mark attended a major conference on this in October 2017 and gave the closing address. This group is working with the Bishop of Burnley and the Church of England Renewal and Reform programme to increase investment on tough estates and find new ways to be church in this context.

The task group continues to take a lead in inspiring the Church of England in evangelism, and one of the major initiatives of the group has been the global wave of prayer initiative, *Thy Kingdom Come*.

Communications and media strategy

In May 2017, Church Army's new branding was launched, with a new look (logo, colours and fonts) proudly displayed across our digital and print communications. We launched a new website alongside our rebranding, which looks modern and is easier to navigate. New sections include our films and Good News stories from the people we help. We also published 21 new blogs during this financial year, which were viewed almost 9,000 times during the year.

We also produced a video to share the essence of who Church Army is and what we stand for as a charity. The *We Are Church Army* video was released shortly after the rebranding launch in May 2017. The video has been played 1,858 times on Vimeo and 1,700 times on Facebook. People also viewed the video through Twitter and at screenings at events around the country.

Our Marketing team has continued to engage with its supporters, partners and others through social media. Our Facebook likes grew from 2,028, to 2,338 while the number of Twitter followers increased from 7,265 to 7,840.

Our Lent email series, *Being Salt and Light*, has also reached more people, with 335 subscribers during the year, compared to 124 last year. This year's email series also featured a weekly Instagram video. Our Instagram followers grew from 178 to 357 during the financial year.

Church Army's work and evangelists appeared 173 times in the media (both Christian and secular) during the financial year.

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Objective 3:

Resourcing evangelism

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

Measures

- The success of the above through the uptake of our resources
- The number of training opportunities and the impact of our research and partnerships
- Increased numbers in our training programmes, both local and national
- Increased number of enquiries and applications made to the Mission Community

Faith Pictures

"We used Faith Pictures in a new home group with a mix of people of different ages. The resource was wonderful for getting the group members to open up and get to know each other. As a retired minister, I can say that I've never seen a group of Christians integrate and grow so fast!" Rev Robert Simpson, Tyne Valley Parish, Midlothian, Scotland

"It has been both a privilege and wonder to be drawn closer to our Saviour through Faith Pictures. It was truly inspiring to see the enthusiasm and excitement among our congregation for the resource. It also captivated our youngsters. Thank you!" Rev. Claire Ling, Kesgrave, Suffolk

Our free evangelism resource, *Faith Pictures*, was launched two years ago and is proving popular with people across different Christian traditions and age groups.

During the financial year, 622 people signed up for *Faith Pictures*, bringing the total number of registrations to 1,967. The course is also being widely used by our evangelists and centres of mission to encourage and enable church members to share their faith.

Faith Pictures also has an international appeal, with people in Africa, Belgium, France and Japan downloading the course during the financial year.

Visit www.faithpictures.org for more information.

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Stepping into evangelism

Four years ago, we launched *Stepping into evangelism*, a 64-page booklet full of practical advice, tips and exercises to help individuals and churches engage in their day-to-day evangelism.

Many dioceses nationwide have taken up *Stepping into evangelism* as a resource to offer to their parishioners and congregations, with more than 6,000 copies being distributed to date. During the 2017/18 financial year, we gave away around 600 copies to resource Christians and churches. We plan to replace the booklet with an updated and revised version in the year ahead.

New evangelism resources

During the financial year, we piloted two additional evangelism resources, *Why on earth...?* and *Equip*. For more information, please see the Training Programme, page 19.

The Research Unit

After 20 years of leading our Research Unit, **George Lings** retired in September 2017 and Church Army would like to express their sincere gratitude for all he gave over that time. **Tim Ling**, formerly the Church of England's Head of Ministry Development, was appointed as the unit's new Director.

Our Research Unit has continued to develop its practices based on the learning and experience over the previous years, has reviewed and implemented new practices, is refreshing its web presence and is restating its own Vision and Values aligning to the wider Church Army changes.

While continuing its research into fresh expressions of church (within the Dioceses of Leicester, Portsmouth and Oxford, for example) it has also diversified and developed into three strands: consultancy (Diocese of Meath & Kildare), evaluation of mission initiatives (Diocese of St Alban's) and projects (Mission with Young Adults as well as Messy Church). Each one of these work areas is seeking to make an impact across our DARE strategy by focusing on identifying and implementing good models of practice.

The research phase of our Mission with Young Adults project, led by **Andy Wier**, has now been completed and our hope is that it will be useful to churches in reflecting on their mission with younger worshippers. The findings have received good coverage, both in the traditional church press and online. The Research Unit team members will be giving presentations on its Mission with Young Adults research at the Church of England's Missioners' conference, Faith in Research, New Wine and other events.

The Unit has also worked alongside the national team at the Wilson Carlile Centre, helping them with compiling their staff, supporter and centres of mission surveys. Visit www.churcharmy.org/researchunit

Christian Enquiry Agency

A partnership with the Christian Enquiry Agency (CEA) and the Deo Gloria Trust allows Church Army National Projects Officer, **Peter Graystone**, to oversee the CEA website.

The website received around 14,000 visitors a month, with 91 enquirers getting in contact during the 2016/2017 financial year. The number of people subscribed to the prayer list is 137, and 28 people contacted CEA asking for prayer during the year.

In the next financial year, **Cherry Hamilton** will replace Peter Graystone as CEA's Communications Manager. We thank Peter for all his hard work and dedication over the last seven years.

For more information, visit www.christianenquiryagency.org.uk
Under the handle @christianityuk, CEA generates daily tweets.

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Now a Christian

There were 2,828 downloads of our *Now a Christian* app during the financial year, a significant increase from last year's 268 downloads. There were also 73 email sign ups, bringing the total number of new subscribers to 2,901. Since its launch in 2009, the total number of subscribers is 7,182 people.

The course has been designed to help individuals learn about the Christian faith. It consists of daily emails sent over a five-week period. *Now a Christian* has proved a valuable follow-up tool for both churches and evangelists and it's free of charge.

The course's app for Apple, Android or Kindle Fire are also free of charge. Visit www.nowachristian.org

The Wilson Carlile Centre (WCC)

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

One of the objectives of the centre is to be a resource for evangelism and the wider church. WCC has continued to strengthen its business targets and reputation. WCC markets its spaces (when they're not required for primary purposes activities) so that we can raise additional funds and support our frontline activities. Use of the facilities for internal activities has increased by 28%. Given that these events would otherwise have to have been accommodated externally, this has saved Church Army at least £60,000 at commercial rates.

Our conference facilities were put to more use in the year to 31 March 2018. A slight decrease in the external hire of rooms was more than offset by increased use of the facilities by Church Army for training courses and meetings. The Wilson Carlile Centre's accommodation bookings saw a 5% increase this year. Encouragingly, we received a significant number of repeat bookings by guests, both national and international, and bookings for 2020 are already in the diary.

WCC has maintained a high 8.7 rating in 2017 with Booking.com. It has also continued to cement its reputation with TripAdvisor as one of top places to stay in Sheffield in terms of service and value. There were many occasions when the accommodation was fully let during the year.

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

Client feedback:

"Clean apartment, friendly staff and brilliant location!"
Chris, November 2017

"The Wilson Carlile Centre is my home away from home. It's perfectly located, being within walking distance to the city centre. The WCC team is amazing, nothing is too much trouble for them."
Simona, May 2017

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Objective 4:

Enabling evangelism

In last year's *Annual Report*, we set out the following objectives and measures:

Enabling evangelism

- Through increased numbers of lay people being trained and resourced by our frontline evangelists and national training staff for evangelism in their local contexts
- Through increasing the number of participants on our Xplore programme for 18- to 25-year-olds
- By offering volunteering opportunities in our centres of mission and helping volunteers engage with the Church Army Mission Community
- Through the increase in numbers of people training through our Church Army commissioned pathway

Measures

- The uptake of our volunteering and Xplore opportunities
- The number of churches that use our resources as a stepping stone for their own programmes
- The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities
- Increased numbers of people training for our commissioned pathway

Our Training Programme

Training is a key part of our DARE strategy, enabling more people to be resourced and equipped as evangelists. We are experiencing significant growth in our training from just 4 a few years ago to currently 17 evangelists in training for commissioned ministry, a further 10 already selected for September 2018 and 30 applicants currently in the vocational process for the September 2019 intake.

New modules introduced during the year include: *Developing Mission and Ministry in Context*, *Bible in Context*, *Learning Through Ministry* and *The Wealth of the Cross*.

The Training Team have also piloted two new evangelism resources, in partnership with SPCK, which will be launched during 2018/19. *Equip* is for lay people in leadership positions. These leaders might not have time to undertake formal training or to go on courses, but we want to resource them, so that they are equipped and empowered in their ministry. This isn't about experts telling them what works; it's about the whole church working together to make a difference. So, they can dip in and out of this free new Webinar resource as they choose. It works in the following way: an experienced pioneer or a theologian delivers a talk about a topic. Participants then engage with the speaker in a live discussion forum or, if they prefer, they watch the recording of the session on their phone or laptop at a convenient time. Participants in the pilot sessions have found the resource to be very beneficial. The anticipated launch date is September 2018.

Why on earth...?? is a new online resource aimed at enquirers and new Christians. It's designed for people who might not have extensive knowledge of the Bible, wouldn't necessarily pick up a book or go on a course, but who want to have their say and discuss things that matter to them. The format is open, inclusive and geared towards giving people space to share their thoughts, ideas and stories. The sessions tackle the kind of tough questions people are asking of God and the church. Following a successful pilot in the autumn, the resource will be launched in July.

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School of Ministry

Church Army continues to support the Sheffield School of Ministry, which is run by the Diocese of Sheffield. More than 50 lay readers, pastoral workers and parish evangelists were trained during the financial year.

The Wilson Carlile Centre hosts 12 training days a year, which take place on Sundays. Church Army Librarian, **Liz Bentley**, ensures the students have access to the books they need and the Wilson Carlile Centre's extensive library continues to be a much-appreciated resource for them.

Andrew Wooding has been the administrator for both the School of Ministry and Moodle, a virtual learning environment utilised in numerous theological training centres across Yorkshire. This summer, he will be stepping down from his role as administrator for the School of Ministry (a new administrator will be employed by the Diocese of Sheffield) so that he can dedicate more time to Moodle support and administration for Church Army's training of evangelists.

Xplore

Xplore is an evangelism training programme for young adults aged 18 to 30. Unlike traditional gap years, it allows young adults to stay in their context: it's compatible with their work, studies and home commitments, while equipping them to reach their communities with the Good News of Jesus.

During the financial year, **Beth Burras** was employed to work full-time as the Xplore Assistant Programme Leader, supporting Xplore Programme Leader, **Neville Barnes**.

There are currently 43 young people taking part in Xplore, compared to 35 participants last year. Xplorers taking part this year come from England, Wales, Northern Ireland, the Republic of Ireland and even a person from Germany.

The programme runs from September to June, with Xplorers taking part in weekly online teaching sessions. They are placed into groups where they can share stories, pray and support each other. Five of the groups are geographically dispersed and so connect via Skype, while the city-based groups meet in South West Wales, Leeds and Belfast.

This year, we have been focusing on Ephesians 3:17: "*Being rooted and established in love*". We've been exploring how having deep roots in God, the Bible and in our Xplore community will give our mission and ministry longevity and bear much fruit.

For more information, visit www.xplore.org.uk

What our Xplorers say:

Frank (20) from Mainz, Germany

I wanted to take part in Xplore because evangelism is not 'big' in Germany but I think it's such an important part of being a Christian.

My Xplore group is a lot of fun. We connect through Skype, as it would be hard to come to England every week! We challenge each other on important issues to help us face the fear of speaking to people about our faith.

I came over for an evangelism weekend in Liverpool and realised how close I'd become with the rest of the group. We've built a really close-knit community.

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The biggest lesson I've learnt at Xplore is that evangelism isn't just something you do every now and then, when we have evangelism training together. It's something you do as part of your day-to-day life. It's important to be a Christian witness to every person you meet.

Hannah (22) from Nottingham

When we went to Belfast for an Xplore evangelism week-end, it had been snowing a lot, so we decided to buy some bread and milk and take it to a local housing estate which had no shops nearby.

We knocked on doors and at first it felt scary - it wasn't something I'm used to doing! A lot of people said they didn't need help, but others greeted us with a smile and were really grateful.

One lady only half opened the door, looking unsure about what to do. Inside my head, I thought: "Well, God, you've led me here so I'm going to carry on!" I told her who I was and asked if I could pray for her.

As soon as I said that she opened the door and said she has a two-week-old baby who was having a lot of health complications. We went inside and prayed for the baby and his parents. And as we prayed, the father's face 'lit up' - it was a beautiful moment.

Volunteering

Our centres of mission collectively have more than 300 volunteers who collectively give over 29,000 hours to help us in mission and evangelism. If the number of volunteer hours were paid at the Living Wage level, we estimate this saves Church Army £260,800.

Meet two of our volunteers:

Robson is originally from Brazil. He volunteers for our Ballina Centre of Mission in County Mayo in the West of Ireland, coaching and organising futsal games for children. Futsal is a variant of five-a-side football, played mainly indoors, on a hard court, which is smaller than a regular football pitch:

Every week I coach around 80 children between the ages of 5 and 13, who come from widely different backgrounds. The reasons they come along to futsal also vary: some come to show off, some to make friends, some because they're competitive and others because it gives them something to do. The behaviours also vary: one child doesn't want to pass the ball to others, another is scared to miss the ball, while another gets carried away and becomes aggressive because they want to win! What they often have in common is a lack of confidence and a desire to be accepted and feel that they 'belong'.

Every training session provides me with opportunities to share the gospel in a different way. One of the ways I reach out to the children is through Biblical principles. If a child treats another one badly, for example, it's an opportunity to point out how important it is to treat others as you would like to be treated yourself. We teach the children to be generous when they play and pass the ball to their teammates so that everyone has a chance of scoring a goal. We reinforce the importance of teamwork, learning together and being considerate of one another.

Since I started the Futsal in 2016, my focus has been to show the love of Jesus in simple and practical ways: through mutual respect, encouragement and support. I want our time together to be a time of fun and joy.

A few weeks ago, I bumped into one of the mothers at Tesco. She said to me: "Liam loves coming to futsal and it's the first time I've seen him really enjoy an activity so much. Thank you, Robson!" Liam is 13 and when he first joined us, he was very insecure and shy. He is now coming out of his shell and it's encouraging to see the positive changes in him - and in many other children.

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Adam volunteers for our St Asaph Centre of Mission in Wrexham, North Wales. He works with high school children at the centre's Tin Can youth centre:

The Tin Can youth centre is a place where local high schoolers can come to 'hang out'. A lot of them come from difficult backgrounds, growing up in poverty and in single parent households, with no fatherly figure in their lives. I can relate to their problems, as they are similar to the ones I had when I was growing up.

I'm deeply inspired by the way Chris and Josh run the group and share the gospel with the teenagers. Some of the young people aren't easy to work with because of their difficult lives, yet Chris and Josh are always so Godly and gracious with them. They lead by example and have a real passion for seeing these teenagers come to faith. It's a pleasure to work alongside them and see the impact they're making in the lives of local people. Volunteering for Tin Can has also strengthened my walk with Jesus and enabled me to share my faith with others.

What I find most rewarding about volunteering is seeing young people discovering God as their Father and us as their brothers in Christ. We enjoy fellowship together and the young people know we will support them through the tough times in their lives. It gives them hope for the future and it's inspiring to see how young hearts and minds are being changed through Jesus.

Wrexham may not be the most glamorous of places, but God is working through Church Army to reach out to the people of the area and improve their lives. I'm very excited to see what else God has in store for us!

Mission Community

The Church Army Mission Community was established six years ago and continues to develop in its identity.

During the year, 15 people joined our community and 14 ceased being members (either because they left Church Army or died during the year), bringing the total number of Mission Community members to 448.

We welcomed back two evangelists who had their commission restored as well as having 15 candidates take part in the selection process, out of which 11 will be commencing their evangelism training in 2018. We have also seen an increase in the number of people interested in volunteering for our projects and centres of mission.

We now have an Assistant Dean in place to oversee vocations, volunteering and growing the community, with the support of 10 Local Mission Community Leaders, who connect with community members in their areas.

During the year, we have supported several community members who are ill, experiencing bereavement and other major life changes.

The objectives of the Mission Community for the year ahead include:

- Fostering discipleship through a sense of belonging to the Mission Community
- Developing an improved vocations process to cater for the growing number of applicants, Particularly through strengthening partnerships with dioceses across the UK and Ireland
- Nurturing relationships between members living in the same geographical area and promoting community life across the entire Mission Community
- Continuing to promote and increase membership to the Mission Community.

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Objectives for the coming year

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

Doing evangelism

- We will continue to explore exciting new developments in evangelism and social action through our centres of mission, projects, partnerships and opportunities provided through other organisations
- We will continue to work with other partners to establish a further six new centres of mission
- We will continue to demonstrate God's love unconditionally to all; particularly through our work in communities, with the homeless and with vulnerable people

Measures

- Evidenced by our impact on communities, growing of new Christian communities and stories of changed lives
- The effectiveness of our partnerships to set up new centres of mission in areas where need is identified
- The effectiveness of the support we offer to vulnerable people in their existing situations to gain the skills and confidence to move into the next stage of independent living, maintain tenancies, deal with ongoing issues and
- Our Education and Training programmes uptake
- 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
- 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
- Through the evidence-based research of our Research Unit, which leads to dioceses reviewing their mission strategies
- 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

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Resourcing evangelism

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

Measures

- The success of the above through the uptake of our resources
- The number of training opportunities and the impact of our research and partnerships
- Increased numbers in our training programmes, both local and national
- Increased number of enquiries and applications made to the Mission Community

Enabling evangelism

- Through increased numbers of lay people being trained and resourced by our frontline evangelists and national training staff for evangelism in their local contexts
- Through increasing the number of participants on our Xplore programme for 18- to 30-year-olds
- By offering volunteering opportunities in our centres of mission and helping volunteers engage with the Church Army Mission Community
- Through the increase in numbers of people training through our commissioned pathway

Measures

- The uptake of our volunteering and Xplore opportunities
- The number of churches that use our resources as a stepping stone for their own programmes
- The success of our training programmes in enabling those who complete it to engage more effectively in reaching out to their communities
- Increased numbers of people training for our commissioned pathway

Public benefit statement

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

Church Army meets the criteria through:

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

Church Army does not discriminate between those who profess a Christian faith and those of no faith. Our work is open to those of all faiths and no faith. Examples of how we do this can be found on pages 5 to 22.

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Financial review

Income

Church Army's total income during the year 1 April 2017 to 31 March 2018 was £6.151m (2017: £6.086m), an increase of £65k (1%).

Donation Income decreased fractionally £4k (0.2%). Church Army has fully endorsed the current fundraising protocols and GDPR legislation and has continued to retain large numbers of very loyal donors whose contributions are greatly valued.

Income from legacies increased £17k (2.2%) to £779k from £762k last year. Church Army is blessed with a rich heritage which, has clearly left a mark on people's lives. There is, however, an acceptance that this close connection, built up over the decades, is diminishing. The challenge is to connect with the new younger generation and to impact on their lives, albeit through differing approaches and cement Church Army the same way we have historically

Gift Aid income was £79k (2017: £85k). Church Army continues to encourage donors to Gift Aid using appeals and other media to highlight the option. There are still a surprising number of donors who have not signed up but again, we are very grateful to those that have.

Income from Charitable Activities decreased by £48k (2%) largely as a result of a retrospective write off of irrecoverable housing benefit and personal share from Marylebone ex residents. This has been a difficult issue to manage as the project allows residencies, in good faith, in the belief that housing benefit will be forthcoming, when on some occasions it never materialises. This is a complex issue and debts can quickly build up before a decision is made by the local authority against a tenant's eligibility and ultimately us as landlord.

Our non-charitable trading has remained steady with a 6% increase in accommodation income being offset by a 10% reduction in catering income. Church Army continues to support the Social Enterprise project at Marylebone and at the same time is actively looking to develop the trading activity at WCC in Sheffield with the development of upgraded facilities available for hire. These services, across both sites, support our charitable objectives both financially, by maximising the use of our building assets, by providing meaningful employment and specifically at Marylebone, by supporting those in need through the provision of work experience and practical support to increase their chances of gaining employment.

Expenditure

The control of expenditure remains a key element of local management responsibilities working to clearly defined budgets to ensure an effective and efficient use of financial resources. Tough decisions do have to be made on occasions but the delivery of our DARE strategy always underpins the decision-making process and ultimate outcomes.

Throughout the year, there has been continued investment in our IT infrastructure which will continue, but at a lower rate over the next year, and beyond. There has also been some investment in the new Church Army corporate ID which was launched during the year.

To maintain our commitment to DARE through the development of new Centres of Mission, Training Resource and greater national support, a sum of £883k was transferred from Unrestricted to Restricted funds during the year.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Investment policy and performance

Ruffer LLP remains the Society's general investment manager. The Board's investment policy is to achieve a total net return twice that obtainable from cash while minimising the risk of the loss of capital value. The Ruffer LLP approach is different from that of many investment managers, based on absolute returns, a combination of growth and income and is by nature fairly cautious, spreading risks globally to insure against various possible investment scenarios.

The Ruffer LLP objective, which the Board acknowledge, is to deliver consistent positive returns regardless of how financial markets perform. These are defined through two investment aims:

- not to lose money in any rolling twelve-month period
- to generate returns meaningfully ahead of the 'risk-free' alternative of placing money on deposit.

The Board has however set a more finite target absolute return of 4% as an acceptable level. The year saw a 4.9% increase in income (dividend and interest receipts) but suffered a loss in the capital value of £244k compared to a gain of £1,060k in 2017. The overall absolute loss of £93k represents 1% against the target increase of 4%, being 5 percentage points adrift. The Board are reviewing the correct course of action.

Other investments held by subsidiary trusts (Restricted funds) are invested in managed funds, which allow a reasonable spread of risk on these smaller portfolios. The total returns for the year was marginally up.

The Trustees have continued their ethical investment policy, which includes no direct investment in companies with significant turnover from arms, tobacco, gambling, alcohol or pornography. While the Trustees would prefer to avoid investment in these areas altogether, the complexity and interconnectedness of business means that such an approach would rule out almost all forms of equity investment, which the Directors do not believe would be in the interests of the Society or its beneficiaries.

Properties represent 63% of the overall investment portfolio, which is above the working figure of 50%. This is due to the transfer of three properties no longer required for operational needs to the investment heading with no disposals. This has a disproportionate effect on the portfolio, when it comes to liquidating assets to support our day to day cash flow requirements, as currently, these are only achieved through the sale of Ruffer investments.

Income from properties of £381k, before any costs, equates to 2.7% of the portfolio and capital gains reported for the year equated to £1.1m. A major redevelopment of the flats complex at Bushey in Hertfordshire was completed and represented £490k of this gain.

Costs for managing and maintaining the Ruffer and property portfolios were £210k split £68k and £142k respectively.

Church Army is committed to a major review of investments to maximise income and growth but at the same time recognising the need to meet short and medium-term cash flow requirements through the timely liquidation of these assets.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Reserves policy

At the year end, the Reserves, also referred to in the financial statements as "Funds", amounted to £30,798k (2017 £30,761k).

Excluding pension funds, £6,631k (2017 £6,491k) are classed as restricted funds - those, which by their nature, can only be used in compliance with the specific wishes of the donor(s), including those earmarked for frontline activities.

£25,745k (2017 £26,029k) are classed as unrestricted funds. Included in this amount is £9,845k (2017 £10,805k) of "operational property and other fixed assets net of loans". This represents the accommodation for commissioned officers, offices, fixtures and equipment of a capital nature commensurate within a service sector working environment needed to maintain the current level of activity and therefore unavailable for other uses.

Last year end, The Board agreed to designate £7m of the unrestricted funds to sustain the development of the DARE strategy. Some of the DARE strategy fund is earmarked for developing new Centre of Mission partnerships. Many of our partners look for three to five-year agreements, designating these funds now strengthens our relationship opportunities and allows us to plan forward with more confidence. The DARE strategy fund will also support our training growth which is anticipated to double each year, for the next few years at least, and will support the growth in Centres of Mission. During the year, there was a net reduction of £67k from this fund. This was affected by the delay in the opening of some of the planned Centres of Mission so the unspent allocation has been carried forward. A further £700k was designated at the year end to support a five-year programme to develop leadership, volunteering, organisational and digital strategies needed to achieve the DARE objectives.

Reserves are reduced by possible long-term pension liabilities of £1,578k (2017: £1,759k). This amount is calculated at the year end and fluctuates yearly. The amount is of the nature of a memorandum item; it would only be called upon should all employment cease suddenly. In practice any costs arising from pension underfunding are added to employer pension contributions and collected over a period of time.

Church Army has revisited the reserves policy set in December 2015. It set a minimum figure as a target, which should be sufficient to:

1. provide sufficient funds to allow Church Army a managed reduction in service if there was a total collapse of funding (base reserve). This equates to anticipated costs including employment and statutory payments, which would need to be made in the event of a total loss of income from all sources.
2. provide sufficient operational assets to allow Church Army to maintain a level of service which meets the funding and donor requirements - operational property and other fixed assets described above.

The current minimum level, set as a target for reserves, remains at £24m, being £11m for operational assets, £6.5m in restricted funds, and £6.5m in free reserves (of which £4m is the base reserve which meets the criteria in Note 1 above). The actual level of free reserves at the year-end was £8,226k (2017 £8,141k)

The total level of reserve, having been compared against the original policy, is deemed to be on track with the longer-term reduction strategy. Uncertainties over the investment performance and the vagaries of the geo-political landscape over the next few years mean we are unlikely to accelerate our spending pattern towards meeting the target, any surplus over the next few years simply acting as a buffer against these possible outcomes as being beyond our control.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Fundraising activities

Church Army has fully embraced the protocols established by the Fundraising Regulator and new laws coming out under General Data Protection Regulations (GDPR implementation date 25 May 2018).

Historically, Church Army has always maintained a highly competent and professional approach to what is now a highly regulated sector, balancing the need to generate funds while at the same time fully respecting the position of both our existing and potential donors. Every effort has been made to fully comply with the recommendations of the Fundraising Regulator and the new GDPR legislation. This is particularly so in the area of vulnerable donors where working practices have been established to respect and protect their position.

Church Army unashamedly repeats it's very clear policy on donor relationships which was first communicated over two years ago:

1. We will only contact you if you are happy to hear from us. If you want to stop receiving communications from Church Army we will respect your wishes;
2. If you want to receive information in a different format, e.g. email instead of post, we will make sure that happens;
3. We will never cold call asking for money;
4. We will never hound people in the streets;
5. Sometimes mistakes happen, and if they do, we will apologise and put it right.

The complete text can be found on the Church Army website:

<http://www.churcharmy.org.uk/fundraisingpledge>

Church Army did receive one complaint regarding the obtaining of an address. This was resolved amicably, and the requests made by the complainant were activated.

Big Lottery Fund supports our educational work and encourage client involvement at the Marylebone Project, continued this year and Church Army are grateful for the continued support from this valued source.

We continue to work hard with parishes, trusts and corporates (still largely untapped) ideally to increase, and, as importantly, maintain income levels. The individual donors remain our most loyal and long standing contributors and we are always working on creative and innovative ways to maintain this critical support group. The distribution of our information literature and appeals has been restructured throughout the calendar year to give a more structured approach and allow us to target specific appeals without conflicting with our regular output.

Church Army does use a professional external fundraiser for the Marylebone Project and the business involved is signed up to the same working practices that we adopt ourselves. There is a written agreement between Church Army and the external fundraiser whereby the working practices of the external fundraiser are within best practice laid out by the Fundraising Regulator. The agreement will be reviewed annually to ensure compliance.

Further information about The Fundraising Regulator can be found on www.fundraisingregulator.org.uk

Church Army is working very hard to ensure all current donor income goes directly to fund frontline activity. It is doing this by prudent use of the historic investments which are managed to generate an income which covers the non-frontline costs which we cannot avoid under our statutory obligations as an employer and a limited company.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Going concern

After making 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 the financial statements.

Structure, governance and management

Constitution

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

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

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

Appointment, induction and training of Trustees

The Board of Trustees comprises people with appropriate expertise including Church Army evangelists and members of General Synod of the Church of England. 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.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Pay policy for senior staff

No formal remuneration policy currently exists, for any group of employees, beyond the commitment to pay at least the living wage under The Living Wage Foundation criteria.

The Board, through the Treasurer, has undertaken benchmarking exercises for senior staff and set a remuneration level based on that. This is adjusted to recognise both the need to recruit and retain staff with the appropriate skills and experience. Senior staff are subject to the same annual cost of living review as the rest of the staff and similarly, any justified reward for increased responsibility can be applied at any time outside the annual review date, at the beginning of April each year, with the appropriate level of approval.

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 and Deputy 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 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.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Risk management and internal controls

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

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

The principal risks remain unchanged having been identified through the Board's annual risk review. The risks and the response to them are:

Risk	Response
Income falls short of the budget	Ongoing review of budgets and costs in the light of income and available reserves. Rolling five-year plan in place to manage reduction of any operating deficit in line with reserve policy targets
Volatility of the investment market and the impact on reserves	The Board's investment policy in the light of the current climate is to achieve a total net return twice that obtainable from cash while minimising the risk of the loss of capital value. The content of the portfolio is designed to spread the risk across a range of products including an increasing property portfolio
Ageing prayer and financial supporter base	Constant review of our fundraising strategy and recruitment to our donor base

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.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Plans for future periods

Church Army continues working to a rolling five-year forward plan. Detailed budgets are prepared for one year in advance and extrapolated using current information beyond the single year to create our five-year forecast. Church Army is consciously budgeting an operating loss for the next five years using historic reserves to support current activity at as high a level as practical. The shift towards developing partnerships, pioneered over the last three years around our Centres of Mission, continues apace with an ambitious, but achievable, list of potential partners. This programme is covered in more detail within this report.

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 gives 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper 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.

Church Army (The)

Trustees' Annual Report (Including Directors' Report and Strategic Report)

Year Ended 31 March 2018

Disclosure of information to the auditors

We, the Trustees of the charitable company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's 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



John Whitfield
Trustee



Rt Rev Stephen Cottrell
Trustee

Church Army (The)

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

Year Ended 31 March 2018

Opinion

We have audited the financial statements of Church Army (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2018 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 2018, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Church Army (The)

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

Year Ended 31 March 2018

Other information

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

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

We have nothing to report in this regard.

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 directors' report and strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report and the strategic 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 trustees' annual report and the strategic 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.
- . 11/04/2018
- 802 20/04/2018

Church Army (The)

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

Year Ended 31 March 2018

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's 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's responsibilities for the audit of the financial statements

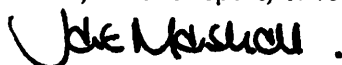
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

Use of our report

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



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

Date: 21 September 2018

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

Church Army (The)

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

Year Ended 31 March 2018

	Note	Unrestricted Funds £000	Restricted Funds £000	2018 Total £000	2017 Total £000
Income and endowments from:					
Donations and legacies	2	1,482	911	2,393	2,380
Charitable activities	3	-	2,716	2,716	2,764
Other trading activities	4	373	57	430	429
Investments	5	490	43	533	469
Other	6	3	76	79	44
Total income and endowments		2,348	3,803	6,151	6,086
Expenditure on:					
Raising funds	7	1,158	131	1,289	1,267
Charitable activities	8	1,280	4,665	5,945	6,159
CoE pension scheme movement	24	-	(175)	(175)	(231)
Other	10	37	-	37	40
Total expenditure		2,475	4,621	7,096	7,235
Net income/(expenditure) for the year before investment gains/(losses)		(127)	(818)	(945)	(1,149)
Net gains/(losses) on investments		(186)	(58)	(244)	1,060
Net income/(expenditure) for the year		(313)	(876)	(1,189)	(89)
Transfers between funds	20	(883)	883	-	-
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		912	229	1,141	186
Re-measurement gain/(loss) on defined benefit pension plan	24	-	85	85	(475)
Net movement in funds	20	(284)	321	37	(378)
Reconciliation of funds:					
Total funds brought forward	20	26,029	4,732	30,761	31,139
Total funds carried forward	20	25,745	5,053	30,798	30,761

All income and expenditure derive from continuing activities.

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

Church Army (The)

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

Year Ended 31 March 2018

	Note	Unrestricted Funds £000	Restricted Funds £000	2018 Total £000	2017 Total £000
Income and endowments from:					
Donations and legacies	2	1,482	514	1,996	2,066
Charitable activities	3	-	947	947	904
Other trading activities	4	373	-	373	376
Investments	5	490	43	533	469
Other	6	3	76	79	42
Total income and endowments		2,348	1,580	3,928	3,857
Expenditure on:					
Raising funds	7	1,158	20	1,178	1,172
Charitable activities	8	1,280	2,659	3,939	4,083
CoE pension scheme movement	24	-	(175)	(175)	(231)
Other	10	37	-	37	40
Total expenditure		2,475	2,504	4,979	5,064
Net income/(expenditure) for the year before investment gains/(losses)		(127)	(924)	(1,051)	(1,207)
Net gains/(losses) on investments		(186)	(58)	(244)	1,060
Net income/(expenditure) for the year		(313)	(982)	(1,295)	(147)
Transfers between funds	20	(883)	883	-	-
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		912	229	1,141	186
Re-measurement gain/(loss) on defined benefit pension plan	24	-	85	85	(475)
Net movement in funds		(284)	215	(69)	(436)
Reconciliation of funds:					
Total funds brought forward	20	26,029	2,727	28,756	29,192
Total funds carried forward	20	25,745	2,942	28,687	28,756

All income and expenditure derive from continuing activities.

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

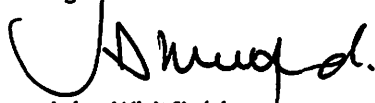
Church Army (The)

Balance Sheets

Year Ended 31 March 2018

	Note	Group 2018 £000	Group 2017 £000	Society 2018 £000	Society 2017 £000
Fixed assets					
Tangible assets	14	10,314	11,439	9,072	10,164
Investments	15	22,221	20,831	22,221	20,831
		<u>32,535</u>	<u>32,270</u>	<u>31,293</u>	<u>30,995</u>
Current assets					
Debtors	16	754	802	618	674
Non-current assets held for sale	17	-	-	-	-
Cash at bank and in hand		471	1,001	471	1,001
		<u>1,225</u>	<u>1,803</u>	<u>1,089</u>	<u>1,675</u>
Creditors: amounts falling due within one year	18	(1,200)	(1,223)	(1,933)	(1,825)
Net current assets		<u>25</u>	<u>580</u>	<u>(844)</u>	<u>(150)</u>
Total assets less current liabilities		<u>32,560</u>	<u>32,850</u>	<u>30,449</u>	<u>30,845</u>
Creditors: amounts falling due after more than one year	19	(907)	(1,334)	(907)	(1,334)
Net assets excluding pension liability		<u>31,653</u>	<u>31,516</u>	<u>29,542</u>	<u>29,511</u>
Defined benefit pension liability	24	(855)	(755)	(855)	(755)
Net assets	22	<u>30,798</u>	<u>30,761</u>	<u>28,687</u>	<u>28,756</u>
Charity funds					
General funds		8,226	8,141	8,226	8,141
Designated funds		17,519	17,888	17,519	17,888
		<u>25,745</u>	<u>26,029</u>	<u>25,745</u>	<u>26,029</u>
Restricted funds		6,631	6,491	4,520	4,486
Total funds excluding pension reserves		<u>32,376</u>	<u>32,520</u>	<u>30,265</u>	<u>30,515</u>
Pension liabilities		<u>(1,578)</u>	<u>(1,759)</u>	<u>(1,578)</u>	<u>(1,759)</u>
Total charity funds	20	<u>30,798</u>	<u>30,761</u>	<u>28,687</u>	<u>28,756</u>

Signed on behalf of the Board of Trustees on 21 September 2018


John Whitfield
Trustee


Rt Rev Stephen Cottrell
Trustee

The notes on pages 42 to 66 form part of these financial statements.

Company registration number: 37169

Church Army (The)

Group Statement of Cash Flows

Year Ended 31 March 2018

	Note	2018 £000	2017 £000
Cash flow from operating activities:			
Net cash flow from operating activities	23	<u>(1,236)</u>	<u>(1,194)</u>
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(32)	(13)
Receipts from sales of tangible fixed assets		-	467
Payments to acquire investments		(3,723)	(4,594)
Receipts from sales of investments		4,485	3,722
Interest received		1	3
Dividends received		151	144
Rents received from investment properties		381	322
Net cash flow from investing activities		<u>1,263</u>	<u>51</u>
Cash flow from financing activities:			
Repayment of long-term loans		(165)	(163)
Net cash flow from financing activities		<u>(165)</u>	<u>(163)</u>
Net increase/(decrease) in cash and cash equivalents		(138)	(1,306)
Cash and cash equivalents brought forward		1,356	2,662
Cash and cash equivalents carried forward		<u>1,218</u>	<u>1,356</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		471	1,001
Cash within investment portfolio		747	355
		<u>1,218</u>	<u>1,356</u>

Church Army (The)

Society Statement of Cash Flows

Year Ended 31 March 2018

	Note	2018 £000	2017 £000
Cash flow from operating activities:			
Net cash flow from operating activities	23	<u>(1,236)</u>	<u>(1,194)</u>
Cash flow from investing activities:			
Payments to acquire tangible fixed assets		(32)	(13)
Receipts from sales of tangible fixed assets		-	467
Payments to acquire investments		(3,723)	(4,594)
Receipts from sales of investments		4,485	3,722
Interest received		1	3
Dividends received		151	144
Rents received from investment properties		381	322
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Repayment of long-term loans		(165)	(163)
Net cash flow from financing activities		<u>(165)</u>	<u>(163)</u>
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Cash and cash equivalents carried forward		<u>1,218</u>	<u>1,356</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		471	1,001
Cash within investment portfolio		747	355
		<u>1,218</u>	<u>1,356</u>

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102) as updated per Update Bulletin 1), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

(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 incoming resources are 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.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

For Legacies, entitlement is the earlier of the charity being notified of an impending distribution 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. 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.

(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 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.

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

(g) Investment properties

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

(h) Investments

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

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

(i) Debtors

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

(j) Cash at bank and in hand

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

(k) Loans and borrowings

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

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

(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.

(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.

(p) Pensions

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

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

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

(q) Tax

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

(r) Going concern

The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(s) Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.

We employ derivatives for the purposes of reducing risk in the portfolios. More specifically, exchange traded forward currency contracts are held for hedging all or part of the overseas currency exposure in the portfolio. Other derivatives are held within the Ruffer Protection Strategies Fund with the aim to protect the value of the (US and UK) index-linked bonds against a sudden rise in global interest rate expectations, and also to reduce the portfolio's sensitivity to a sharp, sudden collapse in equity markets.

(t) 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.

(u) 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. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

	2018 £000	Group 2017 £000	2018 £000	Society 2017 £000
Donations	1,614	1,618	1,222	1,304
Legacies	779	762	774	762
	<u>2,393</u>	<u>2,380</u>	<u>1,996</u>	<u>2,066</u>

In 2018, of the total Group income from donation and legacies, £1,482k (2017: £1,473k) was to unrestricted funds and £911k (2017: £907k) was to restricted funds. Of the total Society income from donation and legacies, £1,482k (2017: £1,473k) was to unrestricted funds and £514k (2017: £593k) was to restricted funds.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

3 Income from charitable activities

	2018 £000	Group 2017 £000	2018 £000	Society 2017 £000
Fees for services (Housing Benefit)	1,504	1,572	209	185
Contractual payments	426	387	426	387
Performance related grants (Supporting People)	786	785	312	312
Other statutory grants	-	8	-	8
Training	-	12	-	12
	<u>2,716</u>	<u>2,764</u>	<u>947</u>	<u>904</u>

In 2018, of the Group income from charitable activities all £2,716k (2017: £2,764k) was to restricted funds. Of the Society income from charitable activities, all £947k (2017: £904k) was to restricted funds.

4 Income from other trading activities

	2018 £000	Group 2017 £000	2018 £000	Society 2017 £000
Accommodation	281	267	281	267
Room hire	72	75	27	37
Catering	73	83	60	68
Other trading	4	4	5	4
	<u>430</u>	<u>429</u>	<u>373</u>	<u>376</u>

In 2018, of the Group income from other trading activities, £373k (2017: £376k) was to unrestricted funds and £57k (2017: £53k) was to restricted funds. Of the Society income from other trading activities, £373k (2017: £376k) was to unrestricted funds and £nil (2017: £nil) was to restricted funds.

5 Income from investments - Group and Society

	Total 2018 £000	Total 2017 £000
Listed investments	151	144
Bank interest	1	3
Rental income	381	322
	<u>533</u>	<u>469</u>

In 2018, of the total Group and Society income from investments, £490k (2017: £427k) was to unrestricted funds and £43k (2017: £42k) was to restricted funds.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

6 Other income

	2018 £000	Group 2017 £000	2018 £000	Society 2017 £000
Other	79	44	79	42
	<u>79</u>	<u>44</u>	<u>79</u>	<u>42</u>

In 2018, of the total Group other income, £3k (2017: £4k) was to unrestricted funds and £76k (2017: £40k) was to restricted funds. Of the Society other income, £3k (2017: £3k) was to unrestricted funds and £76k (2017: £39k) was to restricted funds.

7 Expenditure on raising funds

	2018 £000	Group 2017 £000	2018 £000	Society 2017 £000
Costs of generating voluntary income	246	258	204	215
Costs of generating trading income	833	773	764	721
Investment and investment properties management costs	210	236	210	236
	<u>1,289</u>	<u>1,267</u>	<u>1,178</u>	<u>1,172</u>

In 2018, of Group expenditure on raising funds, £1,158k (2017: £1,052k) was from unrestricted funds and £131k (2017: £215k) was from restricted funds. Of the Society expenditure on raising funds, £1,158k (2017: £1,052k) was from unrestricted funds and £20k (2017: £120k) was from restricted funds.

8 Expenditure on charitable activities

Group	Activities Undertaken directly £000	Support costs £000	Total 2018 £000	Total 2017 £000
Centres of Mission	1,400	398	1,798	1,880
Fresh expressions	67	15	82	170
Other field evangelism	315	56	371	417
Homeless projects	2,097	543	2,640	2,891
Training	357	141	498	395
Dean of Community	226	56	282	168
National Operations	203	71	274	238
	<u>4,665</u>	<u>1,280</u>	<u>5,945</u>	<u>6,159</u>

In 2018, of Group expenditure on charitable activities, £4,665k (2017: £4,706k) was from restricted funds and £1,280k (2017: £1,453k) was from unrestricted funds.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

8 Expenditure on charitable activities (continued)

Society	Activities Undertaken directly £000	Support costs £000	Total 2018 £000	Total 2017 £000
Centres of Mission	1,400	398	1,798	1,880
Fresh expressions	67	15	82	170
Other field evangelism	315	56	371	417
Homeless projects	91	543	634	815
Training	357	141	498	395
Dean of Community	226	56	282	168
National Operations	203	71	274	238
	<u>2,659</u>	<u>1,280</u>	<u>3,939</u>	<u>4,083</u>

In 2018, of Society expenditure on charitable activities, £2,659k (2017: £2,630k) was from restricted funds and £1,280k (2017: £1,453k) was from unrestricted funds.

9 Allocation of support costs - Group and Society

	Total 2018 £000	Total 2017 £000
Senior management	198	195
Communications	197	236
Administration (finance/personnel/IT/pension, property)	839	967
Welfare	46	55
Total	<u>1,280</u>	<u>1,453</u>

10 Other expenditure - Group and Society

	Total 2018 £000	Total 2017 £000
Trustee expenses	9	7
Auditor's remuneration	28	33
	<u>37</u>	<u>40</u>

In 2018 and 2017, all the total Group and Society other expenditure was from unrestricted funds.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

11 Net income/(expenditure) for the year

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

	2018 £000	2017 £000
Depreciation of tangible fixed assets	294	353
(Gain)/loss on sale of tangible fixed assets	-	32
Auditor's remuneration - audit	24	24
Auditor's remuneration - non-audit	4	9

12 Trustees' and key management personnel remuneration and expenses

All 13 (2017: 12) members of the Board who are not Church Army employees (including the Chair) provide their services free of charge, but incurred expenses totalling £8,646 (2017: £7,331). As permitted by the Society's Articles of Association, during the year 2 (2017: 2) members of the Board who are Church Army employees received emoluments (including benefits in kind but excluding pension contributions) of £100,426 in total (2017: £84,027). One director benefits from contributions of £5,518 (2017: £5,265) to a defined contribution scheme.

The total amount of employee benefits received by key management personnel is £271k (2017: £245k). The Trustees consider its key management personnel comprises of the Senior Leadership Team made up of the CEO, Deputy CEO, National Operations Manager, and Dean of Community who are salaried employees, and Sister Sheila Easby, a non-stipend associate member.

Mark Russell, a director, received a loan from the Society of £9,750 in 2017/2018 under the Society's car loan scheme on the same terms as are available to other employees. The loan bears interest at 4.75% per annum, and the interest charged during the year was £346 (2017:nil). The balance outstanding at 31 March 2018 was £8,273 (2017: £nil).

During the year, 7 Trustees made donations to the charity totalling £7,912 (2017:10 Trustees, £10,362).

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

13 Staff costs and employee benefits

The total staff costs and employees' benefits were as follows:	2018	2017
	£000	£000
Wages and salaries	3,524	3,545
Employer's NI	307	303
Employer's pension costs	319	390
	4,150	4,238

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

	2018	2017
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

Total redundancy and termination payments amount to £nil (2017: £80k).

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

	2018	2018	2017	2017
	Number	FTE	Number	FTE
Raising funds	16	16	18	16
Charitable activities	122	100	129	111
Support	20	19	17	15
	158	135	164	142

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

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

14 Tangible fixed assets

Group	Land and buildings £000	Freehold improvements £000	Other fixed assets £000	Total £000
Cost or valuation:				
At 1 April 2017	10,135	2,292	1,126	13,553
Additions	-	-	32	32
Disposals	-	-	-	-
Transfer to investments	(890)	-	-	(890)
Revaluation	1	-	-	1
At 31 March 2018	9,246	2,292	1,158	12,696
Depreciation:				
At 1 April 2017	486	655	973	2,114
Charge for the year	123	111	60	294
Disposals	-	-	-	-
Revaluation	(26)	-	-	(26)
At 31 March 2018	583	766	1,033	2,382
Net book value:				
At 31 March 2018	8,663	1,526	125	10,314
At 31 March 2017	9,649	1,637	153	11,439

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

14 Tangible fixed assets (continued)

Society	Land and buildings	Freehold improvements	Other fixed assets	Total
	£000	£000	£000	£000
Cost or valuation:				
At 1 April 2017	8,794	2,292	451	11,537
Additions	-	-	32	32
Disposals	-	-	-	-
Transfer to investments	(890)	-	-	(890)
Revaluation	-	-	-	-
At 31 March 2018	7,904	2,292	483	10,679
Depreciation:				
At 1 April 2017	395	655	323	1,373
Charge for the year	105	111	44	260
Disposals	-	-	-	-
Revaluation	(26)	-	-	(26)
At 31 March 2018	474	766	367	1,607
Net book value:				
At 31 March 2018	7,430	1,526	116	9,072
At 31 March 2017	8,399	1,637	128	10,164

The net book value of land and buildings comprised:

	Group		Society	
	2018 £000	2017 £000	2018 £000	2017 £000
Operational properties (included above)				
Freehold	7,727	8,725	6,494	7,475
Long leasehold	936	924	936	924
	8,663	9,649	7,430	8,399
Investment properties (included in investments)				
Freehold	13,901	10,896	13,901	10,896
Short leasehold	15	15	15	15
	13,916	10,911	13,916	10,911

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

14 Tangible fixed assets (continued)

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

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
Cost	6,905	5,904	6,905	5,904
Depreciation	(1,773)	(1,681)	(1,773)	(1,681)
Net book value	<u>5,132</u>	<u>4,223</u>	<u>5,132</u>	<u>4,223</u>

Land and buildings are revalued every year at the balance sheet date to reflect market value. Land and buildings have been valued at open market value and on an 'existing use' basis based on publicly available data and expertise through our property consultants Bruton Knowles. A provision has then been made for anticipated 'ready for sale' costs as only external inspections have been possible for this year end. Directors have adopted this basis of valuation.

15 Fixed asset investments

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
Cost or valuation:				
At 1 April 2017	20,831	19,210	20,831	19,210
Additions	4,115	4,610	4,115	4,610
Transfers	890	586	890	586
Disposals	(4,485)	(4,642)	(4,485)	(4,642)
Revaluation	870	1,067	870	1,067
At 31 March 2018	<u>22,221</u>	<u>20,831</u>	<u>22,221</u>	<u>20,831</u>

Investments at fair value comprise:

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
UK-listed investments at market value	3,709	4,755	3,709	4,755
Overseas listed investments at market value	3,562	4,525	3,562	4,525
Unlisted traded investments at market value	262	260	262	260
Investment properties	13,916	10,911	13,916	10,911
Cash within investment portfolio	747	355	747	355
Equity mortgages at cost	25	25	25	25
	<u>22,221</u>	<u>20,831</u>	<u>22,221</u>	<u>20,831</u>

Material investments comprise:

Group and Society	£000
1.25% UK Govt. index linked	734
2.5% UK Govt. index linked	757
CG portfolio real return A Group	375
Ruffer multi strategies group	405

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

15 Fixed asset investments (continued)

The cost of investments is £12,714,000 (2017: £11,232,000).

Unlisted traded investments represent units in approved Charities Unit Trusts and in a commodities fund.

Unlisted investments include 80,250 (2017: 80,250) shares of £1 each which represented a 50% interest in Bekonscot Limited. On 31 January 2018, the entire share capital was designated to Ordinary Shares and acquired by the Roland Callingham Foundation (RCF). Under the deal, RCF have agreed to buy back the full value of the shares previously held by Church Army but this had not been executed at the year end. The Society received £99,633 (2017: £40,796) during the year from Bekonscot Ltd which is included within donations income. £38,000 is expected to be received in September 2018 based on the results for the year ended 31 January 2018, in the form of a grant, from the new owners RCF.

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

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).

16 Debtors

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	144	139	12	14
Other debtors	87	71	83	68
Prepayments and accrued income	500	573	500	573
	<u>731</u>	<u>783</u>	<u>595</u>	<u>655</u>
Amounts falling due after one year	23	19	23	19
	<u>754</u>	<u>802</u>	<u>618</u>	<u>674</u>

17 Non-current assets held for sale

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
Investment properties	-	-	-	-

There are no current assets being held for imminent sale.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

18 Creditors: amounts falling due within one year

	Group		Society	
	2018 £000	2017 £000	2018 £000	2017 £000
Bank loan	165	165	165	166
Trade creditors	176	386	141	361
Other tax and social security	94	96	94	91
Amounts owed to subsidiary undertakings	-	-	773	627
Other creditors	45	51	45	50
Accruals and deferred income	600	386	595	391
CofE pension scheme (note 24)	120	139	120	139
	<u>1,200</u>	<u>1,223</u>	<u>1,933</u>	<u>1,825</u>

Deferred income

	Group 2018 £000	Society 2018 £000
Opening deferred income	113	113
Resources deferred during year	94	94
Amounts released from previous years	(113)	(113)
Closing deferred income	<u>94</u>	<u>94</u>

Deferred income relates to grant income received in advance.

19 Creditors: amounts falling due after more than one year

	Group		Society	
	2018 £000	2017 £000	2018 £000	2017 £000
Bank loan payable between 2 and 5 years	304	469	304	469
CofE pension scheme (note 24)	603	865	603	865
	<u>907</u>	<u>1,334</u>	<u>907</u>	<u>1,334</u>

The bank loan is repayable by instalments until 2021, carries interest at bank base rate plus 1.5% pa, and is secured over certain properties of the Society which have a book value of £3.0m.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

20 Charity Funds - current year

	1 April 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2018 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets net of loans	10,805	-	(100)	(890)	30	9,845
Young People's Project	83	-	(42)	-	-	41
DARE strategy	7,000	31	(98)	700	-	7,633
Total designated funds	17,888	31	(240)	(190)	30	17,519
Free reserves	8,141	2,317	(2,235)	(693)	696	8,226
Total unrestricted funds	26,029	2,348	(2,475)	(883)	726	25,745
Restricted funds						
Portman House Trust	2,005	2,224	(2,118)	-	-	2,111
Special trusts including linked charity:						
Discretionary Grant Fund	850	15	(53)	-	(23)	789
Gurney Trust	1,654	22	(13)	-	(37)	1,626
Ketterson	142	4	-	-	2	148
Tebbs	138	3	-	-	-	141
Other restricted funds including linked charity:						
Retirement fund	1,384	14	(38)	-	229	1,589
Greenwich Centre of Mission	122	-	(31)	-	-	91
Xplore	25	-	(25)	-	-	-
Frontline activities	-	1,521	(2,439)	918	-	-
Other	171	-	-	(35)	-	136
Total restricted funds	6,491	3,803	(4,717)	883	171	6,631
CAPS pension liability	(755)	-	(185)	-	85	(855)
CoE pension liability	(1,004)	-	281	-	-	(723)
Total restricted funds	4,732	3,803	(4,621)	883	256	5,053
Total funds	30,761	6,151	(7,096)	-	982	30,798

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

20 Charity Funds - prior year

	1 April 2016 £000	Income £000	Expenditure £000	Transfers £000	Gains/(losses) £000	31 March 2017 £000
Unrestricted funds						
Designated funds						
Operational property and other fixed assets net of loans	10,056	-	(347)	910	186	10,805
Young People's Project	125	-	(42)	-	-	83
DARE strategy	-	-	-	7,000	-	7,000
Total designated funds	10,181	-	(389)	7,910	186	17,888
Free reserves	15,971	2,280	(2,156)	(8,708)	754	8,141
Total unrestricted funds	26,152	2,280	(2,545)	(798)	940	26,029
Restricted funds						
Portman House Trust	1,947	2,228	(2,170)	-	-	2,005
Special trusts including linked charity:						
Discretionary Grant Fund	813	14	(62)	-	85	850
Gurney Trust	1,523	21	(12)	-	122	1,654
Ketterson	124	4	-	-	14	142
Tebbs	128	3	-	-	7	138
Other restricted funds including linked charity:						
Retirement fund	1,351	14	(59)	-	78	1,384
Greenwich Centre of Mission	153	-	(31)	-	-	122
Xplore	-	50	(25)	-	-	25
Frontline activities	-	1,472	(2,540)	1,068	-	-
Other	487	-	(46)	(270)	-	171
	6,526	3,806	(4,945)	798	306	6,491
CAPS pension liability	(197)	-	(83)	-	(475)	(755)
CoE pension liability	(1,342)	-	338	-	-	(1,004)
Total restricted funds	4,987	3,806	(4,690)	798	(169)	4,732
Total funds	31,139	6,086	(7,235)	-	771	30,761

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

20 Charity Funds (continued)

Reserves	Group		Society	
	2018 £000	2017 £000	2018 £000	2017 £000
Income and expenditure account	22,869	22,921	20,758	20,916
Revaluation reserve	9,507	9,599	9,507	9,599
Pension reserve	(1,578)	(1,759)	(1,578)	(1,759)
	<u>30,798</u>	<u>30,761</u>	<u>28,687</u>	<u>28,756</u>

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

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

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

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

Ketterson Trust is historically linked with work in Northern Ireland.

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

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

Greenwich Centre of Mission, Xplore and 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.

Transfers have been made between funds for the following:

- setting aside designated funds
- contribution to frontline activities from General Funds
- to reflect the transfer of previous operational properties being reclassified as investment properties
- to agree the operational property and other fixed assets net of loans to the balance sheet figures

21 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.

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

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 2017	159	146
Income	1	2
Expenditure	(4)	(2)
Gains/(losses)	23	(4)
Funds at 31 March 2018	179	142

22 Analysis of net assets between funds

Current year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	9,072	1,242	10,314
Investments	18,140	4,081	22,221
Current assets	640	585	1,225
Creditors due within one year	(1,200)	-	(1,200)
Creditors due after more than one year	(907)	-	(907)
Defined benefit pension liability	-	(855)	(855)
Total	25,745	5,053	30,798

Prior year	Unrestricted Funds £000	Restricted Funds £000	Total £000
Fixed assets	10,147	1,292	11,439
Investments	16,902	3,929	20,831
Current assets	1,537	266	1,803
Creditors due within one year	(1,223)	-	(1,223)
Creditors due after more than one year	(1,334)	-	(1,334)
Defined benefit pension liability	-	(755)	(755)
Total	26,029	4,732	30,761

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

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

Group	2018 £000	2017 £000
Net expenditure for the year	(1,189)	(89)
Rents received from investment properties	(381)	(322)
Income from investments	(152)	(147)
Depreciation of tangible fixed assets	294	353
(Gains)/losses on investments	244	(1,060)
(Profit)/loss on disposal of tangible fixed assets	-	32
Movement in defined benefit scheme funding	185	83
Movement in CoE pension scheme	(281)	(338)
(Increase)/decrease in debtors	48	250
Increase/(decrease) in creditors	(4)	44
Net cash flow from operating activities	<u>(1,236)</u>	<u>(1,194)</u>

Society	2018 £000	2017 £000
Net expenditure for the year	(1,295)	(147)
Rents received from investment properties	(381)	(322)
Income from investments	(152)	(147)
Depreciation of tangible fixed assets	260	291
(Gains)/losses on investments	244	(1,060)
(Profit)/loss on disposal of tangible fixed assets	-	32
Movement in defined benefit scheme funding	185	83
Movement in CofE pension scheme	(281)	(338)
(Increase)/decrease in debtors	56	268
Increase/(decrease) in creditors	128	146
Net cash flow from operating activities	<u>(1,236)</u>	<u>(1,194)</u>

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

24 Pensions and other post-retirement benefits

Church Army Pension Scheme (CAPS)

The Society operates a final salary defined benefit scheme. Pension benefits are linked to the members' final pensionable salaries and service at retirement (or date of leaving if earlier). The total contribution to this scheme during the year was £nil (2017: £40,000).

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2018.

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 Society makes contributions to this defined benefit scheme 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 FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The total contribution to this scheme during the year was £276,000 (2017: £309,000) of which £120,000 (2017: £139,000) was towards the pension scheme deficit. The pension costs charged to the SOFA are detailed in the following notes.

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 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%

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 £28,000 (2017: £31,000).

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 £15,000 (2017: £9,000).

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

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

24 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS)

The total cost recognised in the period was as follows:

	2018 £000	2017 £000
Current service cost	70	78
Past introductions, changes, curtailments and settlements	94	37
Net interest (income)/expense	21	8
	<hr/>	<hr/>
Recognised in net income/expenditure	185	123
Recognised in other gains/losses	(85)	475
	<hr/>	<hr/>
Total cost recognised	100	598

Amounts recognised in the balance sheet were as follows:

	2018 £000	2017 £000
Fair value of plan assets	9,299	9,804
Present value of funded obligations	(10,154)	(10,559)
	<hr/>	<hr/>
	(855)	(755)

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

	2018 £000
Opening plan assets	9,804
Interest income	240
Actual return on plan assets (excluding interest income)	(313)
Administration expenses	(94)
Contributions by charity	-
Contributions by scheme participants	13
Benefits paid	(351)
	<hr/>
Closing plan assets	9,299

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

	2018 £000
Opening defined benefit obligation	10,559
Current service cost	70
Interest expense	261
Contributions by scheme participants	13
Benefits paid	(351)
Actuarial (gains)/losses	(398)
	<hr/>
Closing defined benefit obligation	10,154

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

24 Pensions and other post-retirement benefits - continued

Church Army Pension Scheme (CAPS) - continued

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

	2018 £000	2017 £000
Equity instruments	2,225	3,345
Bonds	6,459	5,840
Cash	112	70
Other assets	503	549
	<u>9,299</u>	<u>9,804</u>

The return on plan assets was as follows:

	2018 £000	2017 £000
Interest income	240	295
Actual return on plan assets (excluding interest income)	(313)	998
	<u>(73)</u>	<u>1,293</u>

The principal actuarial assumptions used were as follows:

	2018	2017
Discount rate	2.5%	2.5%
RPI inflation	3.4%	3.5%
CPI inflation	2.4%	2.5%
Expected rates of salary increases	2.9%	3.0%
Expected rates of pension increases RPI linked	3.4%	3.5%
Expected rates of pension increases CPI linked	2.4%	2.5%
Expected rates of pension increases (5% or RPI if less)	3.3%	3.4%
Expected rates of pension increases (5% or CPI if less)	2.3%	2.4%

Mortality after retirement

S2PXA

S2PA CMI

2017 M/F 1.25% (yob)

2016 M/F 1.25% (yob)

Mortality before retirement

As after retirement

As after retirement

Life expectancy for a current individual aged 65:

Males 21.9 (22.1)

Females 23.8 (23.9)

Life expectancy at age 65 for a current individual aged 45:

Males 23.3 (23.5)

Females 25.4 (25.5)

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

24 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS)

The total cost recognised in the period was as follows:

	2018 £000	2017 £000
Net interest income/expense	14	32
Deficit contribution paid	(120)	(139)
Re-measurement of the balance sheet liability	(175)	(231)
Total cost recognised	<u>(281)</u>	<u>(338)</u>

Following the 31 December 2015 valuation, a recovery plan was put into place until 31 December 2015 and the deficit recovery contributions (as a percentage of pensionable stipends) are 14.1% for the period January 2016 to December 2017 and 11.9% for the period January 2018 to December 2025.

As at December 2015, the deficit recovery contributions under the recovery plan in force at that time were 14.1% of pensionable stipends until December 2025. As at December 2016 and December 2017 the deficit recovery contributions under the recovery plan in force were as set out in the paragraph above.

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 FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below:

	2018 £000	2017 £000
Opening balance sheet liability	1,004	1,342
Deficit contribution paid	(120)	(139)
Interest cost (recognised in SOFA)	14	32
Remaining change to the balance sheet liability* (recognised in SOFA)	(175)	(231)
Closing balance sheet liability	<u>723</u>	<u>1,004</u>
Split of liability:	2018 £000	2017 £000
Creditors: amounts falling due within one year	(120)	(139)
Creditors: amounts falling due after more than one year	(603)	(865)
	<u>(723)</u>	<u>(1,004)</u>

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

Church Army (The)

Notes to the financial statements

Year Ended 31 March 2018

24 Pensions and other post-retirement benefits - continued

Church of England Funded Pension Scheme (CEFPS) - continued

The 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:

	December 2017	December 2016	December 2015
Discount rate	1.4% pa	1.5% pa	2.5% pa
Price inflation	3.0% pa	3.1% pa	2.4% pa
Increase to total pensionable payroll	1.5% pa	1.6% pa	0.9% 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.

25 Operating lease commitments

At 31 March 2018 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:

	2018 £000	2017 £000
Not later than one year	54	39
Later than one and not later than five years	78	43
Later than five years	11	13
	<u>143</u>	<u>95</u>

26 Capital commitments

In 2016, a contractual obligation was entered into to refurbish the entire site at Bushey flats in Hertfordshire. The total value of the contract at the time of signing was £1.4m although this has subsequently increased to just over £2m. During the year costs have been incurred of £831k and a provision made for a further £170k to cover the final progress payment and outstanding professional fees. There are no further commitments to report at the March 2018 year end.

27 Related party transactions

Graham Nunn is a Trustee and is employed by the Diocese of Canterbury. During the year, Church Army contributed £49k (2017: £47k) towards employment costs and expenses to the Diocese.

The Christian Enquiry Agency (CEA) contributed £12k (2017: £16k) towards the employment costs of Peter Graystone who is employed by Church Army and worked part-time for (CEA). Two of the trustees of CEA are employees of Church Army and members of the Senior Leadership team.

Other related party transactions are disclosed in note 12.