

THE SOCIETY OF THE FAITH (INCORPORATED)

Company Registered Number 00214216 (England & Wales)

Charity number 232821

ANNUAL REPORT FOR THE YEAR ENDED

31ST MARCH 2017

THE SOCIETY OF THE FAITH (INCORPORATED)

Registered Number 00214216 (England & Wales)
Registered with the Charity Commission number 232821

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THE SOCIETY OF THE FAITH (INCORPORATED)

Registered Number 00214216 (England & Wales)
Registered with the Charity Commission number 232821

Legal and Administrative Information

Constitution

The Society of the Faith (Incorporated) is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 232821. Company number 00214216.

Directors and trustees

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows;

THE COURT OF FELLOWS

Dr. Julian Litten	(Principal)
The Rev. Canon Robert Gage	(Vice Principal)
The Rev. Anthony Couchman	
Mr. John Creasey	
The Rev. William Davage	
Mr. Peter Gaston	
The Rev. Barry Hall SSC	
Dr. Brian Hanson CBE	
Dr. Andrew Hobley	
The Rev. Stephen Keeble	(resigned 11 June 2016)
The Rev. Richard Norman	
The Rev. Canon Dr. Robert Reiss	
The Rev. Canon Dr. Philip Ursell	
Mr. Paul Vaughan	
Mr. Martin Woods	
The Rev. Christopher Trundle	(appointed 15 February 2017)

Members of the Court act in an honorary capacity.

Secretary and Treasurer

Mrs. Margery Roberts

Principal Office & Registered Office

Faith House, 7 Tufton Street, Westminster, London SW1P 3QB

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Legal and Administrative Information Continued

Accountants

Baldwins (Ashby) Limited, Bank Chambers, Market Place, Melbourne, Derbys DE73 8DS

Bankers

Barclays Bank Plc., Westminster Abbey Business Centre, 2 Victoria Street, London SW1H 0ND

Central Board of Finance, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Solicitors

Lee Bolton Monier-Williams, 1 The Sanctuary, London SW1P 3JT

THE SOCIETY OF THE FAITH (INCORPORATED)

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Report of the Court of Fellows (Directors) for the
year ended 31 March 2017

The Court of Fellows are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2017 which are prepared to meet the requirements for accounts for Companies Act purposes.

The financial statements comply with current statutory requirements (The Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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 Republic of Ireland (FRS 102) (effective 1 January 2015).

1. Objectives and activities

The objects of the charity are to bring together Christians in communion with the See of Canterbury for mutual assistance in the work of the Christian church and to support and further charitable undertakings, particularly those which popularise the Catholic faith. To achieve these objects, the Society aims to carry out the following activities:

- let out functional accommodation to other charitable organisations and to Watts & Co Ltd., a long-established firm supplying ecclesiastical furnishings and vestments;
- sponsor and produce new publications relating to the Anglican Church and the Christian faith, promote the revival of Faith Press publications and host occasional conferences on aspects of the Christian faith;
- conserve an archive, including Faith Craft drawings and Faith Press publications;
- administer the Hoare Trust, which grant-aids the conservation and provision of ecclesiastical needlework;
- administer the Liddon Fund, holding the annual Liddon Lecture and awarding grants to young scholars for advanced theological study, and for retreats.
- make meeting space available in Faith House for other church and charitable organisations;
- make grants from its general fund in accordance with a grants policy.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities they should undertake.

2. Structure, governance and management

A board of trustees (known as the Court of Fellows), of up to 15 members, administers the charity. Meetings are held at least four times during the year and individual trustees also play an active part in the day to day running of the charity. A Secretary and Treasurer, elected annually by the members of the Society, manages the operations of the charity in accordance with the trustees' policies and directions. At present, these roles are combined. The holder is a self-employed charity administrator and reasonable fees are paid to her in respect of the administration of the Society's business.

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Report of the Court of Fellows (Directors) for the
year ended 31 March 2017

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Dr. Julian Litten	(Principal)
The Rev. Canon Robert Gage	(Vice Principal)
The Rev. Anthony Couchman	
Mr. John Creasey	
The Rev. William Davage	
Mr. Peter Gaston	
The Rev. Barry Hall SSC	
Dr. Brian Hanson CBE	
Dr. Andrew Hobley	
The Rev. Stephen Keeble	(resigned 11 June 2016)
The Rev. Richard Norman	
The Rev. Canon Dr. Robert Reiss	
The Rev. Canon Dr. Philip Ursell	
Mr. Paul Vaughan	
Mr. Martin Woods	
The Rev. Christopher Trundle	(appointed 15 February 2017)

Members of the Court act in an honorary capacity.

Secretary and treasurer:

Mrs. Margery Roberts

The principle and registered office of the Society is Faith House, 7 Tufton Street, London, SW1P

Governing document

The Society of the Faith is a company limited by guarantee by its Memorandum and Articles of Association dated 7 June 1926. It is registered as a charity with the Charity Commission. The Court of Fellows may elect new members of the Society, upon election the Secretary shall submit an application for approval at the next meeting of the Court of Fellows, there are currently 15 trustees (15 in 2016). None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute (not exceeding) £10 in the event of a winding up.

Appointment of trustees

As set out in the Articles of Association the trustees are elected annually at the Annual Meeting, and are eligible for re-election, other than the Principal and Vice-Principal. No person who is not a member of the Society is eligible to hold office.

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Report of the Court of Fellows (Directors) for the
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3. Investment powers and policy

Under the Memorandum and Articles and relevant legislation, the charity has the power to make any investment which the trustees see fit.

4. Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Trustees consider that the public benefits from the Society from the following:

- the award of grants for education (especially young postgraduate Theology students), religious activities and the restoration of church needlework where there is an identified need;
- the nurturing of interest in, and providing information on, the Christian faith, the Catholic Movement and church furnishings through publications, lectures and conferences;
- the provision of affordable accommodation, through leases, tenancies and meeting room provision, for a wide variety of charitable and community groups which themselves provide public benefit.

5. Achievements and performance

The trustees met three times during the year, in June, November and February, with very good attendance at all meetings. There was no July meeting because of an extraordinary flash flood which occurred in the early hours of 23 June 2016 and which rendered the basement premises and boiler room temporarily unusable. The Annual General Meeting was postponed (with the consent of members) until November and there was no Eucharist this year.

A violent storm combined with heavy rain and high river levels caused the local drains to overflow into basements, including our own. The Society's Secretary quickly contacted the Society's insurers, the Ecclesiastical Insurance Office, to lodge a claim and, in association with Watts and Company, helped to organise the pumping out of water and the drying out of the basement and boiler room. Sadly, Watts lost thousands of pounds' worth of stock and had to relocate their showroom to their existing premises on the top floor and their workroom to a nearby building. The Society allowed them the use of the Douglas Room for the months of July and August. The insurers organised the refurbishment of the basement, which reopened in January 2017. Fortunately, a large area of the original parquet floor, dating from around 1905, was capable of being preserved and the EIO generously undertook the necessary restoration work. Small areas of the original Lutyens colour scheme (brick red, black and white) for the walls were discovered behind cladding and will now be preserved. The Society's architect, Mr Poteliakhoff, kept a watching brief on the work done in the basement. The insurance policy has now been revised to take into account a previous underinsurance as to loss of rent.

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At the beginning of 2017, it was decided to end the cleaning contract with Aaron Services because of poor standards and to enter into a new cleaning contract with J K Maintenance Ltd. This is subject to review.

The annual Liddon Lecture was held in the Douglas Room on 12 May. The lecturer, Dr Andrew Chandler, spoke about Bishop George Bell of Chichester and the cause of Christian Unity. There was a full attendance and the lecture was considered one of the best ever.

A grant of £3000 from the Liddon Fund was awarded to a Theology doctoral student at Keble College, Oxford who had received a Liddon Fund grant of £2000 in 2014. He was now in his final year. A grant of £300 was made to the Dean and Chapter of Westminster from the general fund.

The Douglas Room was used on 44 occasions during the year by other charities and church organisations which promoted the Society's objects and by tenants. This was an increase on the previous year (35), despite the room not being available in July and August.

Canon Robert Gage continued to chair the Publications Committee. The Society sponsored a revised biography of the architect Martin Travers by Michael Yelton. This major work, with full gazetteer and copious photographs, was published by Spire Books. Canon Gage is currently chairing a small working group charged with the task of organising a symposium in November 2017 to examine how the Anglo-Catholic tradition has developed since the publication in 1947 of an important study on 'Catholicity', written by Bishop Michael Ramsey, Dom Gregory Dix, T S Eliot and others. The symposium will be held at Southwark Cathedral.

The Society's website continued to be managed and kept up to date by Dr Andrew Hobley, with enquiries, which especially concerned Faith Craft, being dealt with by the Secretary.

At the November meeting, the trustees appointed the Revd Christopher Trundle to be a member of the Court of Fellows and he took up his trusteeship at the February meeting. During the year, the Secretary and Dr Brian Hanson undertook a review of the Memorandum and Articles in order to consider possible revisions to bring them in line with current legislation and practice. It is hoped that the proposed revisions will be presented to the 2017 Annual General Meeting for approval.

6. Risk management

The trustees aim to maintain Faith House in good order, to keep risk to a minimum, both financially and within the structure and occupation of Faith House, to encourage good relationships with the tenants, occupants and users of the building and to promote the charitable activities arising from the charity's objects. Faith House is used both to raise income and as functional property. In order to limit financial risk, funds are invested in the well-respected Central Board of Finance (CBF) funds managed by CCLA.

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The building is insured by the Ecclesiastical Insurance Office, a long established provider of insurance for churches and charities. Day-to-day financial controls include a requirement for two signatures on every cheque and for payments to be made only on receipt of invoices.

The trustees, recognising the importance of actively managing risk within Faith House, maintain a health and safety file containing risk assessments and policies. Contracts are maintained for the servicing of fire alarms, fire extinguishers and the heating boiler. The Secretary is a trained fire marshal and all tenants are actively encouraged to keep their own procedures for emergency evacuation up to date. Fire drills are held at intervals.

In 2016, the risk assessments were comprehensively reviewed and a new risk register established, together with a schedule for regular reviewing of all assessments and policies. These reviews are carried out in accordance with the schedule.

Following the quinquennial inspection carried out by the Society's architect, Mr Michael Poteliakhoff, in 2012, a programme of repairs and maintenance has taken place. Small maintenance items are carried out routinely.

The Society depends for most of its income on the leases and tenancies in Faith House. These are kept under review and legal advice is regularly obtained. The current tenants, consisting mainly of church charities and Watts and Company Ltd, reflect the Society's own charitable objects very closely.

7. Reserves policy and total reserves

The trustees recognise the need to pursue a reserves policy in accordance with guidance from the Charity Commission. At present, the cost of running and maintaining the building and meeting business rates (with charitable rating relief) is around £50,000 per annum, not including improvement work or major repairs, and further funds are required to cover the costs of administration, including the fees paid to the Secretary/Treasurer, and to cover periods when parts of the building are untenanted. Although a proportion of the running costs are recoverable from tenants on a pro rata basis, the trustees consider it prudent to retain at least a year's costs in reserve in order to meet routine commitments. In addition, reserves are needed for future essential repair and upgrading work. In particular, the boiler and heating system are becoming outdated and will at some stage need to be replaced with a more energy-efficient system. The Society does not have permanent endowment and relies on receiving income from invested funds as well as from rents. Bearing all these matters in mind, the trustees consider that around £100,000 should be kept easily accessible on deposit with the CBF for the time being, both to cover immediate needs and other commitments for a year, provide for emergencies and repairs and to produce an income. The current policy is to place all other unrestricted funds in the CBF Investment Fund. The position is kept under constant review and was last reviewed in February 2017. Funds held in the two restricted funds are not available for general use.

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Report of the Court of Fellows (Directors) for the
year ended 31 March 2017

8. Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. Independent Examiners

The Society's long-serving and highly-respected independent examiner, Mr Robert Anderson of Anderson's Accountants Ltd., retired from business during the year. The trustees were very sorry indeed to lose his expertise and care but hoped that he would enjoy a long and fulfilling retirement. A resolution will be proposed at the Annual General Meeting that Baldwins (Ashby) Limited be appointed as independent examiners to the charity for the ensuing year.

10. Appreciation

The Principal, Vice-Principal and members of the Court of Fellows wish to express their appreciation of the outstanding role played within the Society by its Hon Secretary/Treasurer, Mrs Margery Roberts.

By order of the Court of Fellows:

Dr. Julian Litten - Principal

13th June 2017

THE SOCIETY OF THE FAITH (INCORPORATED)

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Independent Examiner's Report to the Trustees of
The Society of the Faith (Incorporated)
year ended 31 March 2017

I report on the accounts for the year ended 31st March 2017 set out on pages 11 to 28.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under Section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102)

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The Society of the Faith (Incorporated)
year ended 31 March 2017

have not been met; or

- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Lisa Emery

FCCA

Bank Chambers
Market Place
Melbourne
Derbyshire
DE73 8DS

Date: 06 July 2017

THE SOCIETY OF THE FAITH (INCORPORATED)

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST MARCH 2017

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>Funds</u>	<u>As Restated</u> <u>Total</u> <u>Funds</u>
		£	£	£	£
				<u>2017</u>	<u>2016</u>
Incoming resources					
Activities for generating funds;					
Recharges to Tenants	5	30,569	-	30,569	34,428
Income from Publications/Greeting Cards	5	935	-	935	375
Donations	5	538	-	538	645
Investment Income	5	123,235	5,240	128,475	127,785
Other Income	5	2,510	-	2,510	-
Total incoming resources		157,787	5,240	163,027	163,233
Less Cost of generating funds;					
Faith House Expenditure	6	51,187	-	51,187	65,064
Charitable Expenditure;					
Grants Payable	7	7,545	3,000	10,545	12,626
Other Charitable activities	8	20,426	1,032	21,458	17,623
Total resources expended		79,158	4,032	83,190	95,313
 NET INCOMING RESOURCES		 78,629	 1,208	 79,837	 67,920
Realised and unrealised investment gains / (losses)	9	108,015	20,943	128,958	(32,735)
Movement in total funds for the year; net income/expenditure for the year	10	186,644	22,151	208,795	35,185
Total funds brought forward		805,425	139,867	945,292	910,107
Total funds carried forward	18	992,069	162,018	1,154,087	945,292

All incoming resources and resources expended derive from continuing activities.

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

THE SOCIETY OF THE FAITH (INCORPORATED)

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BALANCE SHEET
AT 31ST MARCH 2017

	<u>Notes</u>	<u>2017</u> £	As Restated <u>2016</u> £
<u>FIXED ASSETS</u>			
Tangible	12	35,000	35,000
Investments	13	936,794	807,836
<u>CURRENT ASSETS</u>			
Cash at Bank	14	186,293	113,590
Debtors	15	22,966	8,579
		<u>209,259</u>	<u>122,169</u>
Creditors; Amounts falling due within one year	16	<u>(26,966)</u>	<u>(19,713)</u>
<u>NET CURRENT ASSETS</u>		<u>182,293</u>	<u>102,456</u>
		<u>1,154,087</u>	<u>945,292</u>
<u>FINANCED BY:</u>			
Unrestricted Funds		992,069	805,425
Restricted Funds		<u>162,018</u>	<u>139,867</u>
<u>TOTAL CHARITY FUNDS</u>		<u>1,154,087</u>	<u>945,292</u>

THE SOCIETY OF THE FAITH (INCORPORATED)

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BALANCE SHEET – CONTINUED
AT 31ST MARCH 2017

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2017 in accordance with Section 476 of the Companies Act 2006.

The Court of Fellows acknowledge its responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and,
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Court of Fellows on 13th June 2017 and were signed on its behalf by:

..... Dr. Julian Litten (Principal)

..... Margery Roberts (Treasurer)

THE SOCIETY OF THE FAITH (INCORPORATED)

Registered Number 00214216 (England & Wales)
Registered with the Charity Commission number 232821

NOTES RELATING TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. Accounting Policies

Charity information

The Society of the Faith (Incorporated) is a private company limited by guarantee incorporated in England and Wales. The registered office address is Faith House, 7 Tufton Street, London, SW1P 3QB. The nature of the charity's operations and principle activities are to bring together Christians in communion with the See of Canterbury for mutual assistance in the work of the Christian church and to support and further charitable undertakings, particularly those which popularise the Catholic faith.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Policies as it applies from 1 January 2015. The Society is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principle accounting policies adopted are set out below.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

a) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

Restatement of the value of the property and investments to comply with SORP and FRS102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

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NOTES RELATING TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. Accounting Policies - continued

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

a) Rental of Faith House

Income from rental is included in the period in which the charity is entitled to the receipt.

b) Donations

Income from donations is included in incoming resources when these are receivable, except as follows;

When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

c) Investment Income

Rent, interest and dividends are included when receivable by the charity.

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

1.6 Fund accounting

Funds held by the charity are either;

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

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NOTES RELATING TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. Accounting Policies - continued

1.6 Fund accounting - continued

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.7 Tangible fixed assets

Individual fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a basis as follows

Long leasehold buildings - 0%

1.8 Investments

Listed investments held as fixed assets are revalued annually by CCLA Investment Management Limited at the market value, and the gain or loss on revaluation taken to the Statement of Financial Activities.

1.9 Repairs and renewals

All expenditure on the Faith House building is written off in the year as repairs and maintenance.

1.10 Governance Costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. This cost is now showing on the Statement of Financial Activities within Other Charitable activities.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

a) Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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NOTES RELATING TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

1. Accounting Policies - continued

1.11 Cash and cash equivalents - continued

b) Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

c) Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2. Critical accounting estimates and judgements

in the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revisions affects both current and future periods.

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NOTES RELATING TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

3. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Every member of the trustees undertakes to contribute to the assets of the charity, in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the charity contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £10.

4. Going concern

The accounts have been prepared on a going concern basis, the trustees are not aware of any existence of any material uncertainties.

THE SOCIETY OF THE FAITH (INCORPORATED)

Registered Number 00214216 (England & Wales)

Registered with the Charity Commission number 232821

NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u>	As Restated <u>2016</u>
	£	£
5. Incoming resources		
<u>Recharges to Tenants of Faith House</u>		
Service charge	30,569	34,428
<u>Income from Publications/Greeting Cards</u>	935	375
<u>Donations</u>		
Gift Aid	-	133
Donations received	-	7
Subscriptions	538	505
	<u>538</u>	<u>645</u>
<u>Investment Income</u>		
<u>Unrestricted Funds</u>		
Bank interest	269	427
Investment income	26,808	20,410
Rental of Faith House	94,763	101,295
Use of Douglas Room	1,395	1,255
	<u>123,235</u>	<u>123,387</u>
<u>Other Income</u>		
<u>Unrestricted Funds</u>		
Excess insurance proceeds	2,510	-
<u>Restricted Funds</u>		
Bank interest;		
Hoare Trust	14	15
Liddon Fund	28	42
Investment income;		
Hoare Trust	395	330
Liddon Fund	4,803	4,011
	<u>5,240</u>	<u>4,398</u>
6. Faith House expenditure		
General rates	19,439	19,289
Water charges	123	1,054
Electricity and gas	(366)	8,107
Insurance	4,901	4,947
Repairs and building maintenance	9,169	16,156
Cleaning and washroom costs	12,521	10,111
Deed of variation rent	5,400	5,400
	<u>51,187</u>	<u>65,064</u>

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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u>	As Restated
	£	<u>2016</u>
		£
7. Grants Payable		
<u>Unrestricted Funds</u>		
Publication Sponsorship	7,545	7,826
	<hr/>	<hr/>
<u>Restricted Funds</u>		
Educational Grants – Liddon Fund	3,000	4,800
Educational Grants – Hoare Trust	-	-
	<hr/>	<hr/>
	3,000	4,800
	<hr/>	<hr/>
8. Other Charitable Activities		
<u>Unrestricted Funds</u>		
Donation to Dean and Chapter of Westminster Abbey	300	300
Donation to St Stephens, Lewisham	-	800
	<hr/>	<hr/>
	300	1,100
	<hr/>	<hr/>
<u>Restricted Funds</u>		
Lecture Expenses – Liddon Fund	377	507
	<hr/>	<hr/>
	377	507
	<hr/>	<hr/>
Governance Costs		
<u>Unrestricted Funds</u>		
Travelling	3,154	2,755
General Secretarial expenses	1,060	780
Annual Return fee	13	13
Legal & professional fees	2,579	-
Secretary and Treasurer's Honorarium	11,250	9,840
Accountancy Fees	2,070	2,028
	<hr/>	<hr/>
	20,126	15,416
	<hr/>	<hr/>
<u>Restricted Funds</u>		
Secretary and Treasurer's Honorarium – Liddon Fund	600	600
General Secretarial expenses	55	-
	<hr/>	<hr/>
	655	600
	<hr/>	<hr/>
Unrestricted Fund totals	<hr/>	<hr/>
	20,426	16,516
	<hr/>	<hr/>
Restricted Fund totals	<hr/>	<hr/>
	1,032	1,107
	<hr/>	<hr/>

THE SOCIETY OF THE FAITH (INCORPORATED)

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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u>	As Restated
	£	<u>2016</u>
		£
9. Realised and unrealised investment gains / (losses)		
<u>Unrestricted Funds</u>		
Gain / (Loss) on revaluation of investment	108,015	(27,037)
Gain / (Loss) on revaluation of lease	-	-
	<u>108,015</u>	<u>(27,037)</u>
<u>Restricted Funds</u>		
Gain / (Loss) on revaluation of investment		
Hoare Trust	1,591	(433)
Liddon Fund	19,352	(5,265)
	<u>20,943</u>	<u>(5,698)</u>
10. Net income for the year		
The surplus/(deficit) on ordinary activities is stated after crediting the following;		
Operating Lease – Faith House	<u>126,726</u>	<u>136,978</u>

11. Taxation

The Society of the Faith (Incorporated) is a registered charity, and as such is exempted from taxation.

THE SOCIETY OF THE FAITH (INCORPORATED)

Registered Number 00214216 (England & Wales)
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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

12. Tangible fixed assets	Long Leasehold Land and Buildings £	Total £
Cost as at 1 April 2016 (as restated) and at 31 March 2017	<u>35,000</u>	<u>35,000</u>
Depreciation as at 1 April 2016 and at 31 March 2017	<u>-</u>	<u>-</u>
Net book value As at 31 March 2016 (as restated) and at 31 March 2017	<u><u>35,000</u></u>	<u><u>35,000</u></u>

13. Investments	As Restated Cost at 31.03.16 £	Additions/ (Disposals)	Cost at 31.03.17 £	Gross Income £	Market Value at 31.03.17 £	As Restated Market Value at 31.03.16 £
<u>Unrestricted Funds</u>						
C.B.F Investment Fund 50821.1 shares	575,291	-	575,291	26,808	784,657	676,642
<u>Restricted Funds</u>						
Hoare Trust						
C.B.F Investment Fund 748.53 shares	6,494	-	6,494	395	11,557	9,966
Liddon Fund						
C.B.F Investment Fund 9105.17 shares	91,410	-	91,410	4,803	140,580	121,228
	<u>673,195</u>	<u>-</u>	<u>673,195</u>	<u>32,006</u>	<u>936,794</u>	<u>807,836</u>

Under the Statement of Recommended Practice all investments have to be valued at their market value at the year end.

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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u>	<u>2016</u>
	£	£
14. Cash at Bank		
<u>Unrestricted Funds</u>		
Current Account	73,621	69,203
C.B.F. Deposit Account	102,791	35,714
	<u>176,412</u>	<u>104,917</u>
<u>Restricted Funds</u>		
Hoare Trust	3,433	3,024
Liddon Fund	6,448	5,649
	<u>9,881</u>	<u>8,673</u>
	<u>186,293</u>	<u>113,590</u>
15. Debtors		
<u>Unrestricted Funds</u>		
Prepayments and Accrued Income	22,966	8,579
Other debtors	-	-
	<u>22,966</u>	<u>8,579</u>
16. Creditors		
Amounts falling due within one year		
<u>Unrestricted Funds</u>		
Other Creditors	26,966	19,713
	<u>26,966</u>	<u>19,713</u>
<u>Restricted Funds</u>		
Other Creditors – Liddon Fund	-	-
	<u>26,966</u>	<u>19,713</u>
17. Related party transactions		

There were no contracts of significance, subsisting during or at the end of the year in which a member of the Court of Fellows is or was materially interested, except as stated below.

Travelling expenses amounting to £2,247 (2016 : £1,904) were reimbursed to 11 (2016: 11) Trustees.

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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

18. Analysis of charitable funds

Analysis of movements in funds	As Restated				Funds
	Balance 1 April 2016 £	Income £	Expenditure £	Investment gain/(loss) £	31 March 2017 £
Unrestricted fund	805,425	157,787	79,158	108,015	992,069
Hoare fund	12,990	409	-	1,591	14,990
Liddon Fund	126,877	4,831	4,032	19,352	147,028
	<u>139,867</u>	<u>5,240</u>	<u>4,032</u>	<u>20,943</u>	<u>162,018</u>

Analysis of movements in funds - previous year

Analysis of movements in funds - previous year	As Restated				As Restated Funds
	Balance 1 April 2015 £	Income £	Expenditure £	Investment gain/(loss) £	31 March 2016 £
Unrestricted fund	763,033	158,835	89,406	(27,037)	805,425
Hoare fund	13,078	345	-	(433)	12,990
Liddon Fund	133,996	4,053	5,907	(5,265)	126,877
	<u>147,074</u>	<u>4,398</u>	<u>5,907</u>	<u>(5,698)</u>	<u>139,867</u>

Unrestricted fund is held for the objectives of the charity.

Funds held in the two restricted funds are not available for general use. The funds use are as follows; Hoare Trust, which grant-aids the conservation and provision of ecclesiastical needlework; Liddon Fund, holding the annual Liddon Lecture and awarding grants to young scholars for advanced theological study, and for retreats.

The unrestricted fund as at 1 April 2015 has been reinstated to reflect the presentation of tangible fixed assets to comply with SORP and FRS 102. The value of the property known as 'Faith House' is now included as a tangible fixed asset of £35,000 (2016 £35,000). The requirement of obtaining an annual valuation has made it cost prohibitive to record the asset as an investment at fair value.

THE SOCIETY OF THE FAITH (INCORPORATED)

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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

19. Reconciliations on adoption of SORP and FRS 102

Reconciliation of equity

	At 1 April 2016			At 31 March 2016		
	As previously stated £	Effect of transition £	SORP and FRS102 (as restated) £	As previously stated £	Effect of transition £	SORP and FRS102 (as restated) £
Fixed assets						
Tangible	-	35,000	35,000	-	35,000	35,000
Investments	1,764,871	(984,300)	780,571	1,792,136	(984,300)	807,836
	<u>1,764,871</u>	<u>(949,300)</u>	<u>815,571</u>	<u>1,792,136</u>	<u>(949,300)</u>	<u>842,836</u>
Current assets						
Bank and cash	114,658	-	114,658	113,590	-	113,590
Debtors	6,364	-	6,364	8,579	-	8,579
	<u>121,022</u>	<u>-</u>	<u>121,022</u>	<u>122,169</u>	<u>-</u>	<u>122,169</u>
Creditors due within one year	(26,486)	-	(26,486)	(19,713)	-	(19,713)
Net current assets	<u>94,536</u>	<u>-</u>	<u>94,536</u>	<u>102,456</u>	<u>-</u>	<u>102,456</u>
Net assets	<u>1,859,407</u>	<u>(949,300)</u>	<u>910,107</u>	<u>1,894,592</u>	<u>(949,300)</u>	<u>945,292</u>
Financed by						
Unrestricted funds	1,712,333	(949,300)	763,033	1,754,725	(949,300)	805,425
Restricted funds	147,074	-	147,074	139,867	-	139,867
	<u>1,859,407</u>	<u>(949,300)</u>	<u>910,107</u>	<u>1,894,592</u>	<u>(949,300)</u>	<u>945,292</u>

THE SOCIETY OF THE FAITH (INCORPORATED)

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NOTES RELATING TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 31ST MARCH 2017

19. Reconciliations on adoption of SORP and FRS 102 - continued

Reconciliation of net incoming resources

	At 31 March 2016						
	Unrestricted funds	Restricted funds	Total funds		Unrestricted funds	Restricted funds	Total funds
	As previously stated	As previously stated	As previously stated	Effect of transition	SORP and FRS102 (as restated)	SORP and FRS102 (as restated)	SORP and FRS102 (as restated)
	£	£	£				£
Incoming resources							
Activities for generating funds;							
Recharges to Tenants	34,428	-	34,428	-	34,428	-	34,428
Income from Publications/Greeting Cards	375	-	375	-	375	-	375
Donations	645	-	645	-	645	-	645
Investment Income	123,387	4,398	127,785	-	123,387	4,398	127,785
Total incoming resources	158,835	4,398	163,233	-	158,835	4,398	163,233
Less Cost of generating funds;							
Faith House Expenditure	65,064	-	65,064	-	65,064	-	65,064
Charitable Expenditure;							
Grants Payable	7,826	4,800	12,626	-	7,826	4,800	12,626
Other Charitable activities	16,516	1,107	17,623	-	16,516	1,107	17,623
Total resources expended	89,406	5,907	95,313	-	89,406	5,907	95,313
Net incoming resources	69,429	(1,509)	67,920	-	69,429	(1,509)	67,920
Realised and unrealised investment gains / (losses)	(27,037)	(5,698)	(32,735)	-	(27,037)	(5,698)	(32,735)
Movement in total funds for the year; net income/expenditure for the year	42,392	(7,207)	35,185	-	42,392	(7,207)	35,185
Total funds brought forward	1,712,333	147,074	1,859,407	(949,300)	763,033	147,074	910,107
Total funds carried forward	1,754,725	139,867	1,894,592	(949,300)	805,425	139,867	945,292

Notes to reconciliations on adoption of SORP and FRS 102

Tangible fixed assets

'Faith House' has been classified as a fixed asset following the conversion under SORP and FRS 102. The effects of the conversion have been reflected in note 19 above.

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ACCOUNT OF FUNDS HELD IN TRUST

HOARE TRUST

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<u>INCOME</u>		£	£
Investment Income	5	395	330
Bank Interest	5	14	15
Gain on revaluation of investment assets	9	1,591	-
		<u>2,000</u>	<u>345</u>
<u>EXPENDITURE</u>			
Charitable Expenditure			
Grants Payable	7	-	-
Loss on revaluation of investment assets	9	-	433
(Deficit)/Surplus for Year		<u>2,000</u>	<u>(88)</u>

BALANCE SHEET
AT 31ST MARCH 2017

<u>FIXED ASSETS</u>			
Investments	13	11,557	9,966
<u>CURRENT ASSETS</u>			
Cash at Bank	14	3,433	3,024
		<u>14,990</u>	<u>12,990</u>
<u>REPRESENTED BY:</u>			
Accumulated Fund Brought Forward		12,990	13,078
Add; Surplus for Year		2,000	(88)
		<u>14,990</u>	<u>12,990</u>

THE SOCIETY OF THE FAITH (INCORPORATED)

Registered Number 00214216 (England & Wales)
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ACCOUNT OF FUNDS HELD IN TRUST

LIDDON FUND

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2017

	<u>Notes</u>	<u>2017</u>		<u>2016</u>	
<u>INCOME</u>		£	£	£	£
Investment Income	5		4,803		4,011
Bank Interest	5		28		42
Gain on revaluation of investment assets	9		19,352		-
			<u>24,183</u>		<u>4,053</u>
<u>EXPENDITURE</u>					
Charitable Expenditure					
Grants Payable	7	3,000		4,800	
Other Charitable Activities	8	1,032		1,107	
Loss on revaluation of investment assets	9	-	4,032	5,265	11,172
			<u>-</u>	<u>5,265</u>	<u>11,172</u>
Surplus / (Deficit) for Year			<u>20,151</u>		<u>(7,119)</u>

BALANCE SHEET
AT 31ST MARCH 2017

<u>FIXED ASSETS</u>					
Investments	13		140,580		121,228
<u>CURRENT ASSETS</u>					
Cash at Bank	14	6,448		5,649	
<u>CURRENT LIABILITIES</u>					
Creditors: Amounts falling due within one year	16	-		-	
			<u>-</u>	<u>-</u>	
<u>NET CURRENT ASSETS</u>			<u>6,448</u>		<u>5,649</u>
			<u>147,028</u>		<u>126,877</u>
<u>REPRESENTED BY:</u>					
Accumulated Fund Brought Forward			126,877		133,996
Add; Surplus/ (Deficit) for Year			<u>20,151</u>		<u>(7,119)</u>
			<u>147,028</u>		<u>126,877</u>