

**CHURCHES TOGETHER IN ENGLAND
(A COMPANY LIMITED BY GUARANTEE)**

**COMPANY NUMBER 05354231
CHARITY NUMBER 1110782**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

**CHURCHES TOGETHER IN ENGLAND
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FOR THE YEAR ENDED 31 DECEMBER 2013**

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COMPANY INFORMATION

Company number	05354231
Charity number	1110782
Directors / Trustees	The Rt Revd Christopher Foster (Convenor) The Revd Ruth Bottoms (Vice Convenor) Peter Hammond (Treasurer) Archbishop Doye Agama The Revd Dr Roger Paul The Revd David Lavender Valerie Potter Geoff Lomas The Revd Dr Andrew Prasad Janet Scott Penny Thatcher HG Bishop Angaelos Fr Robert Byrne
Company Secretary	Revd David Lavender
Chief Executive Officer / General Secretary	Revd Dr David Cornick
Registered Office	27 Tavistock Square London.WC1H 9HH.
Bankers	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill West Malling, Kent. ME19 4JQ CCLA Investment Management Ltd COIF Charity Funds 80 Cheapside, London. EC2V 6DZ. Epworth Investment Management 9 Bonhill Street London EC2A 4PE
Auditors	Mercer & Hole Chartered Accountants Gloucester House, 72 London Road, St Albans, Hertfordshire. AL1 1NS.

**CHURCHES TOGETHER IN ENGLAND
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DIRECTOR'S REPORT

The directors present their annual report with the accounts for the company for the year ended 31 December 2013. The accounts comply with the requirements of the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and follow the recommendations in "Accounting and Reporting by Charities: Statement of Recommended Practice 2005".

ABOUT CHURCHES TOGETHER IN ENGLAND

Churches Together in England (CTE) is the national body set up by the churches in 1990, and has partner bodies in Scotland, Wales and Ireland. Churches Together in Britain and Ireland (CTBI) is the successor body to the British Council of Churches, and acts in part as a Forum in which the concerns of the four National Ecumenical Instruments can be shared.

The Member Churches of CTE are: **Churches and Denominations with a national presence; Unions of Churches;** and **Association or Councils of Churches with a national presence.** Member Churches are expected and entitled to make an active contribution to the life of Churches Together in England, to develop its fellowship, to guide its policy and to contribute financially. Local churches and congregations are encouraged to join their local 'churches together' grouping, or - if appropriate - their county/intermediate body.

At a national level Churches Together in England has 43 Member Churches or Councils of Churches and a similar number of Bodies in Association. The numbers continue to grow. Churches are also continuing to develop ecumenical commitment locally and at intermediate (county) level.

Churches Together in England is a visible sign of the Churches' commitment as they seek a deepening of their communion with Christ and with one another, and proclaim the Gospel together by common witness and service. Its strength comes from people from different traditions finding new ways to work and worship together.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Churches Together in England is a company limited by guarantee (company number 05354231) and a registered charity (charity number 1110782). The governing instrument of the charitable company is the Memorandum and Articles of Association.

There are six Presidents of Churches Together in England: The Archbishop of Canterbury, The Cardinal Archbishop of Westminster, The Free Churches Moderator, a representative of the Orthodox Churches, a representative of the Pentecostal Churches and a President nominated by the other churches in England. The Presidents meet regularly to discuss matters of concern to the Churches in England. Their meetings are facilitated by the General Secretary of CTE. In June 2002 the then Presidents signed a Personal Covenant in the presence of HM The Queen, at Windsor. This has subsequently been signed by new Presidents.

The Forum is a triennial meeting of CTE that provides an opportunity for people representing churches at local, intermediate and national levels to meet. It serves as a place where the current work of CTE is celebrated and affirmed and general fresh directions are discerned. The functions of the Forum are: to engage in worship and discussion; to recommend to the Member Churches such matters as it believes should be addressed jointly; to support and encourage Intermediate Bodies in their role as the servants of their participating churches; and to share its reflections on the activities and future programmes of CTE. The Forum does not have other roles in the governance of CTE.

The Members of the Charity comprise the Enabling Group. To enable the widest possible participation in the shaping of the life and work of CTE the Enabling Group draws together representatives of denominations, bodies in association and regional representatives of the Intermediate Bodies. Every member of the charity undertakes to contribute up to £10 to the charity's assets in the event of the dissolution of the charity.

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DIRECTOR'S REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Enabling Group has the legal responsibilities in the governance of the charity for electing the directors/trustees and electing the chair of the trustees. Its responsibilities also include: the admission and classification of members of the charity; agreeing procedures at general meetings and meetings of the trustees; receiving the annual report and accounts of the directors/trustees; and appointing auditors.

The Enabling Group is a reference point for Member Churches and other representatives for making decisions together which are proper to them (where necessary referring matters back to the Member Churches) and for responding to initiatives from the Forum, Member Churches and Intermediate Bodies and enabling those initiatives to be carried out by the churches in consultation with one another. The Enabling Group may make recommendations to the trustees and comment upon their operation, but may not limit or otherwise affect the trustees' legal powers and obligations. The Enabling Group meets twice a year.

Being a company limited by guarantee, there is a board of directors who also act as the trustees of the registered charity. The members of the charity elect the trustees.

The trustees manage the business of the charity and are responsible for: ensuring that the charity is solvent, well-run, and delivering the charitable outcomes for which it has been set up; ensuring that the charity complies with charity law, and with the requirements of the Charity Commission, that the charity does not breach any of the requirements in its governing document and that it remains true to the charitable purpose and objects set out there; acting with integrity, and avoiding any personal conflicts of interest or misuse of the charity's funds or assets; and regulating the financial affairs of the charity. The trustees may enter into contracts, appoint and employ staff, determine staff pay and conditions of service. The trustees may appoint an honorary treasurer. The trustees endeavour to consult the Enabling Group and to inform it of their decisions. They arrange the agenda of the Enabling Group, which the Enabling Group is free to amend.

The directors meet at least three times a year. They are mostly elected because they already have the necessary experience of being a trustee / director within their denomination. Time is given within directors meetings to focus on the role and changes in legislation. Those new to the work of the company meet with the Chief Executive Officer. Where required, formal training or advice from consultants is given.

The directors / trustees who served during the year were:

The Rt Revd Christopher Foster (Chair / Convenor)

The Revd Ruth Bottoms (Deputy Convenor)

Peter Hammond (Treasurer)

The Revd Dr Roger Paul

Fr Robert Byrne

Bishop Doye Agama

The Revd David Lavender

Geoff Lomas (Retired 15/9/2013)

Valerie Potter

Revd Dr Andrew Prasad

Janet Scott

HG Bishop Angaelos

Penny Thatcher (Appointed 14/11/13)

Revd John Taylor (Resigned 13/09/2013)

John Richardson (Resigned 13/09/2013)

The day-to-day management of the company is delegated to the General Secretary, Revd Dr David Cornick, who reports to the trustees and is managed by the Convenor. There are five full and one part-time staff members

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DIRECTOR'S REPORT (CONTINUED)

PUBLIC BENEFIT

In compiling this report, the Trustees have given due regard to the public benefit guidance as issued by the Charity Commission.

As a charity, Churches Together in England is committed to the advancement of the Christian religion, the promotion of religious harmony, and promoting co-operation, joint working, and greater efficiency amongst its members. We believe that the Christian faith is of benefit to individuals and society because it has at its heart God's intent to reconcile all people and the whole of creation to himself under Christ as head. That is a vision which encompasses peace and cohesion, mutual respect and self-giving love.

We work out our public benefit in a number of ways. It is primarily done through the service which we offer to our members (as detailed below). However, we also contribute to the creation of social capital and community cohesion by bringing together Christians of differing ethnicities and theological persuasions, and by providing resources which enable them to create relationships with neighbours of other faiths and beliefs

REVIEW OF THE YEAR

Our main focus in 2013 has been the strategic re-shaping of CTE and the setting of priorities for the next three years. We were made aware in January 2013 that the Directors of the Free Churches Group wished the next phase of our working relationship with them to be looser, enabling them to capitalise on the value of their plant and to raise the profile of their own work.

We are pleased to report that we worked patiently and productively through the year to separate out the work of the two charities and to re-focus, re-structure and re-energise the work of Churches Together in England. The Board led the strategic process through a 24 hour residential consultation and then in consultation with the Enabling Group (members' meeting) in September.

We believe that we should focus on relationship building within our membership, on resourcing ecumenical bodies locally and regionally for mission and service, and on theological reflection on the experience of travelling together ecumenically. To enable that we have shifted our staffing resources significantly, making the Field Officer posts redundant, and creating full-time posts in

- Pentecostal and multicultural issues
- Training, resources and events
- Mission, evangelism and media

We are now a highly focused team of five full-time and one part-time staff members. We have also sought to translate those objectives into the way we order our business, using the Enabling Group as a forum to deepen mutual understanding, with presentation on Oriental Orthodoxy and the Redeemed Christian Church of God. This will become a rolling programme.

Our re-structuring has also allowed us to create a leaner organisation. We have moved from being the 'managing agents' of 27 Tavistock Square, to tenants with one permanent Administrator based there with the rest of the staff employed on home working contracts. Our strategic plan will be to shift our administrative base to the premises of one of our member denominations when that becomes possible. In the meantime we are grateful to the Free Churches Group for their continuing hospitality

Although the national economy is showing welcome signs of recovery, that has yet to percolate through to our funding streams. In the light of the information provided by our major funders last year that they were unable to increase their contributions, we have been engaged in a process of discussion and consultation within our Board and our members' meeting about broadening our funding base so that it encourages and enables wider participation and ownership of the organisation amongst our members.

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DIRECTOR'S REPORT (CONTINUED)

Delivering this kind of change in an umbrella body of our size and complexity is challenging and involves detailed discussion and negotiation. We fully expect this process to continue at least throughout 2014.

Key Performance Indicators (KPIs) for an umbrella body must include the number and influence of those who wish to join it, or remain in its embrace. It is a pleasure to report that CTE continues to attract new members. During 2012 we welcomed the Armenian Orthodox and the Malankara Orthodox Syrian Church (Indian Orthodox Church) into membership and are processing several other applications for membership.

Another KPI is those who are willing to lend their support to us, or work in partnership with us. During 2013 we were delighted to enlarge our Praesidium and welcome a new Pentecostal President, Bishop Eric Brown to serve alongside the Archbishops of Canterbury and Westminster, the Free Churches Moderator, the Rt Revd Jana Jeruma-Grinberga of the Lutheran Church in Great Britain and HE Archbishop Gregorios of Thyateira and Great Britain. A wide range of church leaders of all denominations participate in our work in many other ways.

We continue to work in partnership with the Centre for Catholic Studies at the University of Durham, to translate their work on receptive ecumenism into material which can be used in local parishes and Churches Together groups. We also collaborate regularly with the Christian Muslim Forum, the Inter-Faith Network of the United Kingdom, and during 2013 with the Council for Christians and Jews to hold a series of Black Clergy and Jewish Rabbis fora.

OBJECTIVES AND ACTIVITIES

The Charity's objects ("the Objects") are defined as the advancement of the Christian Religion in accordance with the statement of faith given below, the relief of poverty and the advancement of education and any other purposes which are charitable according to the law of England and Wales.

The Charity seeks (within its general objectives) to be a visible sign of the churches' commitment to one another, in obedience to our Lord's Prayer "that they may all be one. As you, Father are in me and I am in you, may they also be in us so that the world may believe that you have sent me". (John 17:21) (NRSV)

The Charity's strategies and activities in seeking to achieve its objectives include the following:

Supporting local ecumenism

CTE strategy for achieving this is to provide advice and in-service training, training courses, and resources for Ecumenical Officers and Churches.

In 2013 this was achieved by:

- responding daily to requests for advice by the two Field Officers and administrative staff by phone, e-mail, or face to face. The web-site is continually updated, and now has a dedicated public area for all Ecumenical Officers and facilitators.
- We have re-designed CTe-news into a more 'IT' friendly format and completely re-vamped the distribution list. We now have a circulation list of 1,000.
- maintaining our web-site, which continues to receive c. 7-8,000 page requests per day. It is strategically vital and is constantly reviewed both in terms of its content and its presentation to ensure it meets the churches' needs. We began work on a complete re-design of the web-site which will come on stream in mid-2014. This is a major investment and we hope that it will result in a considerable improvement in the functionality and value of the site.
- supporting Intermediate Bodies during Ecumenical Officer vacancies, helping with recruitment and professional appointment procedures and with the induction of newly-appointed Officers.

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- facilitating a regional group of County Ecumenical Officers (CEOs) to plan the annual Consultation for County and National ecumenical officers. This is a major in-service training event for County Officers and all CTE staff are invited to attend. County Ecumenical Officers deal with all aspects of local ecumenism and are crucial to its development.
- contributing to tutoring the annual 48 hour residential course for new ecumenical officers and facilitators
- responding to requests to speak at or facilitate local and intermediate (county) ecumenical gatherings including meetings of Church Leaders
- facilitating of the North Western CEOs (CEOs) to plan the annual Consultation for County and National ecumenical officers. In 2013 the Consultation considered techniques for transforming conflict with Jo Williams of Bridge Builders.
- making a major investment in the complete overhaul and re-launch of the the on-line Directory of Black Majority Churches and publishing a regular e-bulletin to the Minority Ethnic Christian Affairs constituency.
- providing advice and guidance to local churches seeking to explore partnership arrangements such as use of premises with emerging or new fellowships, particularly where ethnic and cultural differences present new challenges.
- informing local Churches Together groups of inter faith resources on the website via the County Ecumenical Officers, CT e-news etc.
- enabling Christians locally to move forward in their capacity for inter faith relations via conversations or the publications on the website written directly for this purpose.
- exploring greater local collaboration in Leeds about ecumenical provision for inter faith relations in the future new Anglican Diocese.

Promoting theological reflection

CTE strategy for achieving this is to provide occasions and working groups on theological themes, and to encourage theological reflection on all elements of the Charity's work and engagement.

In 2013 this was achieved by:

supporting education, training and research through consultations and partnerships with: *inter alia* New Testament Church of God's National Leadership Centre (e.g. its annual Oliver Lyseight lecture), Queen's Foundation, New Testament Assembly's Institute of Theology and Christian Counselling, Redeemed Christian Church of God's Christ Redeemer College, Roehampton University, Birmingham University's launch of Centre for Race and Education, Durham University's research on Faith and Globalisation Programme on religious groups' social and political engagements, Luther King House Ecumenical training college, Manchester

- continuing to provide a uniquely broad forum through the Churches Theology and Unity Group, which during the year considered the Princeton Proposals, the prophetic role of the church in society (considering particularly Catholic and Anglican traditions of social thought), baptismal recognition and practice, and Lutheran-Catholic dialogue as well as hearing reports from the Busan Assembly of the WCC and the Anglican-Methodist Joint Implementation Committee.

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DIRECTOR'S REPORT (CONTINUED)

- placing theological papers and book reviews on CTE's web-site.
- participating in various fora of theological reflection, including the Council for Christian Unity of the Church of England, the Methodist-United Reformed Church Liaison Group, the English Anglican-Roman Catholic Committee and the Society for Ecumenical Studies.
- working in partnership with the Centre for Catholic Studies of the University of Durham and in preparing material for local churches to use.
- encouraging staff members and County Ecumenical Officers to write for publication.
- including theological issues in CT-enews and the monthly MECA e-bulletin.
- facilitating meetings between black clergy and Jewish rabbis to explore 'Pentecost' and other topics
- participating in re-launching the Black Theology Forum in Birmingham, based at the Queen's Foundation
- preparing the text for 'An A -Z on Inter-faith relations: 26 short reflections for Christians' for publication in January 2014
- partnering with the Church Army Sheffield Centre SCOLER web resource to make current MA and PhD's on mission publicly available online.
- posting papers about the nature of mission and unity posted on the CTE website under the heading 'Features', to stimulate discussion and reflection about ecumenism at the local level.

Encourage shared worship and prayer, learning, service and evangelism

CTE strategy for achieving this is to provide resources and opportunities for sharing various traditions, and to facilitate dialogue and encounter.

In 2013 we achieved this by:

participating in the Week of Prayer for Christian Unity Editorial Group.

- ensuring that differing traditions of prayer and worship are used in consultations, training courses and meetings.
- making available more worship resources on the local ecumenism pages of our website.
- providing information and planning tools to enable churches to respond to national opportunities for evangelism 2012-2014 – *Biblefresh*, *More Than Gold*, and *Hope Together*.
- providing research and reflection on the ways in which churches engage with new housing areas through our website.
- co-ordinating the preparation and delivery of material for Education Sunday 2013 and encouraging wider participation in the development of resources.
- facilitating the Annual General Meeting of the ReJesus trustees in a discussion about how the ReJesus web resource could be seen to work on behalf of the churches in England
- Churches Together in England, through the Churches Group for Evangelisation, agreed in 2013 to be the Reference Group for the Christian Enquiry Agency (CEA).

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- providing the EvangelismUK news service to 220 subscribers which provides a news exchange across the churches and agencies in England concerned with evangelism
- In 2013 the 6 presidents of Churches Together in England began a service for the churches in England to say something about the major festivals of the churches year for people who don't go to church. Called 'Speaking to the Seasons', the series include Christmas, Easter and Pentecost.
- Organising with the Sisters of Sion, a leading Christian scholar and Jewish Rabbi, the CTE Interfaith Week event at the Sion Centre at Notting Hill on 'The Jewishness of Jesus: what it means for Christians and Jews' and then making the talks available as a resource on the web-site.
- Participating in the CTBI's oversight of Racial Justice Sunday material and planning through the Racial Justice Network.

Local Ecumenical Partnerships (LEPs)

CTE strategy for achieving this is to coordinate and resource the work of those with responsibility for LEPs at national and intermediate level, and to advise on – but not to engage in – the review of LEPs.

In 2013 we achieved this by:

- providing regular briefings for County and National Ecumenical Officers, and responding to their specific queries
- offering direct support at local and county level by facilitating meetings and gatherings.
- undertaking a thorough review of the Churches Group for Local Unity and the ways in which LEPs are overseen, the results of which will be available in 2014
- working on ways in which reviews of LEPs can be re-envisioned to allow more choice and to offer Intermediate Bodies review options which are less burdensome and more accountable to the Churches.

Reaching common decision-making

CTE strategy for achieving this is to encourage communication, reflection and meeting between those making decisions in the various spheres of the life of the Churches, both at national and intermediate level, and to identify common concerns and opportunities.

In 2013 we achieved this by:

- participating in Co-ordinating groups, including servicing the Group for Evangelisation, the Group for Local Unity, the Churches Committee for Health Care Chaplaincy, the Ecumenical Liaison Group on Ministerial Education, the Theology and Unity Group, and Churches Together for Healing.
- supporting black and minority ethnic (BME) British Christian churches to network better between themselves, and with the mainstream churches,
- participating in meetings of the Churches Inter Religious Network of CTBI and the CTBI Networking conference.
- encouraging and contributing to the conversation in West Yorkshire regarding ecumenical provision for inter-faith relations in the future new Anglican diocese with a view to a shared vision for the future.

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Responding to social issues and dealing with secular authorities

CTE strategy for achieving this is to work in collaboration with Churches Together in Britain and Ireland and to develop links with appropriate government departments and secular agencies.

In 2013 we achieved this by:

- holding meetings with the DCLG Cohesion and Faith unit on matters of common interest and concern.
- Providing personnel for the Government's Department for Education's National Working Group on child abuse linked to faith or belief, and then helping disseminate the National Action Plan.
- Engaging with the Media and giving Press interviews on various matters: miracles and other matters on BBC; Premier Radio; Africa TV part of World Television; Prosperity Gospel documentary for BBC Radio 4; Jamaica Times, Keep the Faith, The Voice
- conducting a seminar for Ofcom on Signs and Wonders, Miracles, Exorcism in TV broadcasts and our churches: what does responsible ministry look like?
- sponsoring a conference on 'Christianity, Islam and the Radicalisation of Black British Youth – Are African and Caribbean men the new face of Islamic extremism?'

Supporting intermediate bodies, regional networks, and County Ecumenical Development Officers

CTE strategy for achieving this is to engage with, co-ordinate, support and provide advice for intermediate bodies in England, to develop a network of regional bodies and their staff and receive feedback from them.

In 2013 we achieved this by:

- supporting Intermediate Bodies during County Officer offering advice and practical support in the recruitment, appointment and orientation of newly-appointed County Officers
- facilitating a regional group of County Ecumenical Officers to plan the annual Consultation for County and National Ecumenical Officers.
- facilitating meetings of County Ecumenical Development Officers (CEDOs) at both national and regional levels,
- providing personalised induction sessions for all newly appointed CEDOs.
- collating information, news and resources and providing a news service for regional and local Churches Together groups through regular, specific and relevant additional mailings on all areas of our work
- attending ecumenical and denominational meetings at Intermediate level regularly (through the Field Officers).
- building links with regional bodies and staff in inter-faith matters, and collaborating with Bradford Churches for Dialogue and Diversity in arranging a day on 'Between naivety and hostility: common ground for Christians and Muslims.'

Encouraging coordination between the Churches at national level

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DIRECTOR'S REPORT (CONTINUED)

CTE strategy for achieving this is to create opportunities for the Churches' leadership and specialists to meet, to facilitate and nurture relationships. This requires the staff to have close knowledge of the work and functioning of the denominations themselves, and to have good working relations with their personnel. Creating opportunities to meet will be done through formal structures, informal structures, ad hoc working groups and other opportunities as they present themselves.

In 2013 we achieved this by:

- servicing and promoting the role of the Presidents of CTE as exemplars of ecumenical relationships.
- supporting the work of Co-ordinating Groups.
- facilitating the regular meetings of National Ecumenical Officers,
- assigning (through MECA) BME representatives to other bodies – eg. The General Synod of the Church of England.
- working with CTBI's Racial Justice Network to tackle racism in church and society.
- posting weekly news of resources, conferences, reports, research, and training available for local churches in evangelism through our specialist news service, *EvangelismUK*
- coordinating a national network for local 'pioneer ministers' in in new housing areas to meet together through the Group for New Housing Areas.
- arranging a meeting for the Churches Group for New Housing Areas with the then Minister for Housing, Mark Prisk MP for a creative conversation about churches work together and provide significant resources in many new housing areas, and how they could work more closely with Government and Local Authorities at the planning stage
- participating in the national meeting of Denominational Ecumenical Officers of the Church of England, the Methodist Church and the United Reformed Church.
- encouraging those involved in new housing areas to meet together through the Group for New Housing Areas.
- In 2013, Churches Together in England alongside a number of church denominations in England, partner networks, and resource agencies, began considering how the centenary of WWI should be remembered and commemorated by the churches. Collating information and resource papers, Churches Together in England provided web space, papers and updates: www.cte.org.uk/ww1. This resource area will be extended and developed 2014-2018.
- arranging and holding, with the denominational Inter-Faith Advisors, the national meeting of over 80 denominational intermediate level inter-faith advisors at High Leigh in February 2013, replacing the annual meeting of denominations, and building on this success in planning future events.
- discussing with member denominations their own provision for interfaith work

Cooperating with other charities and voluntary bodies

CTE strategy for achieving this is to work in close partnership with its partner ecumenical instruments in Britain, and with other charities and agencies where appropriate.

In 2013 we achieved this by:

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- attending and contributing to the meetings of the Faith Communities Forum of the Inter Faith Network for the UK.
- attending and speaking at a range of inter-faith events
- supporting organisations and initiatives that work alongside black majority churches, including the National Church Leaders Forum, the Evangelical Alliance's One People's Commission and Black History month
- partnering with Operation Black Vote to launch a national voter registration campaign among black churches
- encouraging the General Secretary in his role as a patron of Action of Christians against Torture, as a member of the Nominations and Procedures Committee of Christian Aid, and the Chair of its annual meeting.

PLANS FOR THE FUTURE

CTE is committed to developing working arrangements with Churches Together in Britain and Ireland and the national ecumenical bodies in Britain and Ireland, and also with the Free Churches Group who generously allow their Education Officer's expertise to be available to us.

Our structure and ways of working have enabled us to respond to the changing landscape of English Christianity over the past decade. As that landscape continues to evolve, we will keep our structures under review to ensure that we can accurately reflect the nature of English Christianity in our working and enable the fullest participation from the diverse churches and bodies which make up our membership.

During 2014 we will be giving considerable attention to the ways in which we are funded, in consultation with all our members, and that work and those conversations will doubtless continue into 2015.

We hope that our reading of the landscape and our attempt to ensure a fairer distribution of the costs of running CTE between our members will allow us to build on our strategic priorities of building relationships across denominational and confessional boundaries, resourcing churches for active participation in their communities in service and mission, and reflecting theologically on ecumenical activity.

As part of the service which we seek to offer, we have begun a major re-structuring of our web site and that work will hopefully come to fruition in 2014 with a much easier user interface.

We hope that work we are undertaking in local ecumenism will result in a re-vitalising and re-imagining of the possibilities of local ecumenical co-operation, and that we will also be able to make a significant contribution to the sharing of receptive ecumenism as a method of local and regional ecumenical engagement and learning.

We will continue to seek all avenues for using our expertise in mission, education, interfaith work, theology and multicultural issues to the benefit of our members.

RISK REVIEW

The directors undertake each year a wide ranging appraisal in order to identify the major risks to which the charity is exposed. Steps are taken with a view to mitigating these risks as far as is reasonably possible. Staff training and consciousness-raising is regarded seriously.

The directors are aware that the continued financial stability of the charity relies on contributions from member churches and intermediate body subscriptions and to some extent on continued grant and

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donation income. They believe that the time-frames for which such income is reasonably assured is satisfactory, and that expenditure linked to grant income is also managed along similar time-frames, so as to mitigate these risks so far as possible.

Professional Indemnity insurance is purchased at a cost to the charity to protect the charity and its trustees.

Churches Together in England places a great importance on health and safety matters and undertakes to conduct its operations in such a way as to safeguard the health and safety of all its employees, visitors and the general public. To this end CTE has endeavored to create and develop a working environment in which there is an awareness to the vital importance of health and safety. This will encourage all staff to participate in developing and practicing safe working methods and to have regard for the welfare of themselves and others. CTE has a health and safety officer and certified first aiders amongst its employees. Staff training and consciousness-raising is regarded seriously.

Churches Together in England is aware of the implications of the full implementation of the Disability Discrimination Act in all its activities. Staff have been made aware of, and are required to implement, the data protection principles. Churches Together in England is registered with the Information Commissioner.

FINANCIAL REVIEW

The results for the year, as given in the Statement of Financial Activities, are considered satisfactory by the trustees. The small deficit arising in the year is adequately absorbed by reserves which continue to provide the charity with stability and enable longer term planning. The charity has now been able to extend its budgeting horizon to 2015 during which time frame the finances will tighten but should still be stable.

INVESTMENT POLICY & PERFORMANCE

The trustees' policy is to retain any short-term surplus funds, including designated and restricted funds, in the highest possible interest-bearing accounts consistent with the objects of the charity, currently using the CAF Bank 'Gold Account', the CCLA Investment Management 'COIF Charities Deposit Fund' and the Epworth Investment Management 'Affirmative Deposit Fund for Charities'. Long-term surplus funds are placed in quoted investment funds, currently using the CCLA Investment Management 'COIF Charities Investment Fund'. Investments are also made in staff property if required and if the trustees consider it of benefit to the Charity. Investment performance was satisfactory.

The trustees recently began a review of the current investments with a view to diversifying, reducing reliance on any one investment and increasing investment income; this has so far resulted in opening one extra interest-bearing bank account, with further work to be considered in this area.

**CHURCHES TOGETHER IN ENGLAND
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

DIRECTOR'S REPORT (CONTINUED)

RESERVES POLICY

It is the policy of the trustees to ensure that the charity has adequate reserves to enable it to meet both its ongoing commitments in regard to general charitable activities, and its future funding requirements. The trustees require as reserves a minimum of three months' expenditure in order to meet any contractual and winding-up costs and have expressed a desire to hold reserves of six months' expenditure to provide greater stability and enable longer term planning and further amounts to invest for long term growth and to provide some extra annual income. The trustees consider the current level of reserves to be sufficient for the present situation and requirements of the charity, but will continue to review the overall position and policy at regular intervals. The current unrestricted reserves are required for continuing operation.

CONNECTED AND RELATED CHARITIES

The company had a joint operating agreement with The Free Church Federal Council (Incorporated) (TFCFC). Some staff within CTE work on Free Church matters. TFCFC contributed to the staff and other costs within the joint operating agreement. The contributions from TFCFC, full staff and other costs, are included within these financial statements. CTE also paid TFCFC rent for occupying its premises. The joint operating agreement ceased with effect from 31 December 2013.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors, who also act as trustees, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors (who are also trustees for the purposes of charity law) to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including income and expenditure, of the company for that period.

In preparing those financial statements, the directors are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; observe the methods and principles in the Charities SORP; state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Mercer & Hole were re-appointed as the charitable company's auditors during the year. It is the intention of the Trustees to seek alternative tenders for an independent examination of the accounts and a resolution proposing the appointment of an Independent Examiner will be put to the Annual General Meeting.

**CHURCHES TOGETHER IN ENGLAND
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

DIRECTOR'S REPORT (CONTINUED)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008).

On behalf of the Board

The Rt Revd Christopher Foster (Convenor/Chair)

Dated **23 July 2014**

Registered Office: 27 Tavistock Square, London. WC1H 9HH

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF
CHURCHES TOGETHER IN ENGLAND
FOR THE YEAR ENDED 31 DECEMBER 2013**

We have audited the financial statements of Churches Together in England for the year ended 31 December 2013 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities, set out on page 12, and the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR'S
TO THE MEMBERS OF
CHURCHES TOGETHER IN ENGLAND
FOR THE YEAR ENDED 31 DECEMBER 2013**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Paul Webster FCA
Senior Statutory Auditor
for and on behalf of
Mercer & Hole
Chartered Accountants
and Registered and Statutory Auditors

Gloucester House
72 London Road
St Albans
Hertfordshire
AL1 1NS

Date **27 /7/14**

CHURCHES TOGETHER IN ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Unrestricted Funds		Total	Total
	s	General	Designated	Funds	Funds
		2013	2013	2013	2012
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income:					
Donations and grants	2	418,198	-	418,198	446,065
Activities for generating funds:					
Rental income		9,142	-	9,142	8,726
Investment income:					
UK listed investments		928	-	928	773
Other		2,163	-	2,163	4,109
Incoming resources from charitable activities	3	203,645	7,000	210,645	284,864
Other incoming resources		22,372	-	22,372	46,868
Total Incoming Resources		656,448	7,000	663,448	791,405
RESOURCES EXPENDED					
Charitable activities:					
Grants paid	4	-	-	-	5,700
Other	5	673,838	-	673,838	753,847
Governance costs	8	8,084	-	8,084	11,729
Total Resources Expended		681,922	-	681,922	771,276
Net Incoming Resources before other recognised gains		(25,474)	7,000	(18,474)	20,139
Gains / (Losses) on revaluations and disposals of investment assets					
		2,133	-	2,133	1,525
Net Movement in Funds		(23,341)	7,000	(16,341)	21,664
Balances at 1 January		545,979	21,350	567,329	545,665
Balances at 31 December		522,638	28,350	550,988	567,329

CHURCHES TOGETHER IN ENGLAND
BALANCE SHEET
AS AT 31 DECEMBER 2013

	Notes	2013		2012	
		£	£	£	£
Fixed Assets					
Tangible assets	10	6,635		9,380	
Investments	11	20,064		17,931	
		<u> </u>	26,699	<u> </u>	27,311
Current Assets					
Debtors	12	103,241		184,763	
Cash at bank and in hand		506,299		423,445	
		<u>609,540</u>		<u>608,208</u>	
Current Liabilities					
Amounts falling due within one year	13	<u>85,251</u>		<u>68,190</u>	
Net Current Assets			524,289		540,018
Net Assets			<u>550,988</u>		<u>567,329</u>
Funds					
Unrestricted:					
General unrestricted funds	15		522,638		545,979
Designated unrestricted funds	15		28,350		21,350
Restricted	15		-		-
Total Funds			<u>550,988</u>		<u>567,329</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

On behalf of the Board of Directors:

Mr P Hammond
Director

Dated **23.7.14**

Company Number: 05354231

CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in 2005.

Grants receivable, donations and subscriptions

Grants receivable, donations and subscriptions are recognised in the period to which the income relates.

Investment income

Investment income is recognised on the receipts basis.

Grants paid

Grants paid are recognised on a payments basis.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Costs are split between categories based on staff time. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the costs relevant to the strategic management of the charity.

Pension costs

Pension costs represent contributions payable to employees' personal and denominational and other pension schemes, including The Pensions Trust (see below), and are charged to the Statement of Financial Activities as they are incurred.

The Pensions Trust Growth Plan is in most respects is a money purchase arrangement, but does include certain guaranteed benefit elements. The Plan is a multi-employer scheme as it is not possible in the normal course of events to identify the share of the underlying assets belonging to the individual participating employers, and accordingly, in accordance with FRS17, is also accounted for as a defined contribution scheme with contributions being recorded as they become payable.

Tangible fixed assets and depreciation

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

Office furniture	- 10% / 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 50% / 33% straight line

Listed investments

Listed investments are shown at market value. Realised and unrealised gains are disclosed in the Statement of Financial Activities.

Funds

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general fund. Designated funds are unrestricted funds earmarked by the trustees for a particular purpose. At the decision of the trustees, previously designated funds may be transferred back to unrestricted general funds without further specified purpose. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of costs.

CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

2. Incoming Resources: Donations and Grants

	Unrestricted Funds General 2013 £	Designated 2013 £	Total Funds 2013 £	Total Funds 2012 £
Donations:	533	-	533	2,157
Grants:				
Secretary for Evangelisation				
Methodist Church	-	-	-	8,000
Baptist Union of Great Britain	1,400	-	1,400	1,400
Olympic and Paralympic Games				
Jerusalem Trust	-	-	-	1,530
2020Vision				
United Reformed Church	1,000	-	1,000	-
Contributions from Member Churches	415,265	-	415,265	432,978
Total	418,198	-	418,198	446,065

3. Incoming Resources from Charitable Activities

	Unrestricted Funds General 2013 £	Designated 2013 £	Total Funds 2013 £	Total Funds 2012 £
Contributions from The Free Church Federal Council (Incorporated) to staff and other costs within the joint operating agreement	193,795	-	193,795	270,594
Subscriptions from intermediate 'Churches Together' bodies	9,725	7,000	16,725	13,880
Sales of publications	125	-	125	390
Total	213,645	7,000	210,645	284,864

CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

4. Resources Expended: Grants Paid

	Unrestricted Funds		Total	Total
	General	Designated	Funds	Funds
	2013	2013	2013	2012
	£	£	£	£
'Opportunities for Volunteering' restricted fund	-	-	-	700
'More Than Gold'	-	-	-	5,000
Total	-	-	-	5,700

In 2012 a grant of £700 was paid from the Opportunities for Volunteering restricted fund a small charity. Opportunities for Volunteering is a Department of Health funded scheme to encourage volunteering in the fields of health and social care. Churches Together in England has been one of the National Agents which administer the scheme on behalf of the Department. Opportunities for Volunteers grants via Churches Together in England was available to churches, 'churches together' groups and other Christian organisations in England who use volunteers to provide services to the community. This fund is now closed.

In 2012 a grant of £5,000 was paid from general unrestricted funds to More Than Gold a charity whose mission is to enable to UK churches to engage with the 2012 Games.

5. Resources Expended: Other Costs

	Unrestricted Funds		Total	Total
	General	Designated	Funds	Funds
	2013	2013	2013	2012
	£	£	£	£
Staff costs:				
General activities	150,390	-	150,390	139,662
Field officers	116,675	-	116,675	91,271
Education activity	47,572	-	47,572	46,654
Healthcare chaplaincy	21,575	-	21,575	65,691
Minority and Ethnic Christian affairs	21,357	-	21,357	20,953
Interfaith officer	21,281	-	21,281	20,863
Prison chaplaincy	8,713	-	8,713	34,348
Evangelisation officer	37,288	-	37,288	36,574
	424,851	-	424,851	456,016
Support costs:				
General activities	248,987	-	248,987	297,622
Opportunities for Volunteering scheme	-	-	-	209
	248,987	-	248,987	297,831
Total	673,838	-	673,838	753,847

CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

5. Resources Expended: Other Costs (continued)

	Total Funds 2013 £	Total Funds 2012 £
Support costs, in total, included in the above were:		
Rent (recharged from The Free Church Federal Council)	60,000	60,000
Property expenses: light and heat, repairs and cleaning	13,921	24,868
Office costs: printing, postage, stationery, telephone and sundry expenses	20,618	28,986
Staff welfare, training and recruitment	2,742	2,205
Computer consultancy and running costs	43,891	31,379
Travel: staff, committees and representatives	44,194	42,471
Insurance	3,776	4,101
Legal fees, HR and financial consultancy	15,748	16,730
Conference expenses	40,148	64,113
Publications	132	267
Depreciation and loss on disposal of tangible fixed assets	3,817	8,780
Bad debt provision	-	13,931
Total	248,987	297,831

6. Directors' Emoluments

None of the directors were remunerated or received pension benefits.

Expenses reimbursed to directors for travel, subsistence and conference expenses were £1,985 (2012: £2,056).

7. Staff Costs

Staff costs during the year were:	2013 £	2012 £
Wages and salaries	318,780	378,995
Social security costs	32,945	38,884
Pension contributions	36,470	38,137
Redundancy	36,656	-
Total	424,851	456,016

No employees received remuneration greater than £60,000.

The average number of employees during the year was:	2013 Number	2012 Number
Direct charitable activities	7	11
Management and administration	3	2
Total	10	13

All staff are entitled to receive pension contributions.

CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

8. Governance Costs

The governance costs for the year consisted of:

	2013	2012
	£	£
Audit fees	4,800	4,800
Indemnity insurance	758	756
Enabling Group travel	713	4,117
Directors travel, lunches and meeting costs	1,813	2,056
	<u>8,084</u>	<u>11,729</u>

9. Net Incoming Resources

Net incoming resources is stated after charging:

	2013	2012
	£	£
Audit fee	4,800	4,800
Depreciation	3,776	8,780
	<u>8,576</u>	<u>13,580</u>

10. Tangible Fixed Assets

	Office Equipment	Office Furniture	Total
	£	£	£
Cost			
At 1 January 2013	27,884	20,427	48,311
Additions	1,071	-	1,071
At 31 December 2013	<u>28,955</u>	<u>20,427</u>	<u>49,382</u>
Depreciation			
At 1 January 2013	27,884	11,047	38,931
Charge for the year	134	3,682	3,816
At 31 December 2013	<u>28,018</u>	<u>14,729</u>	<u>42,747</u>
Net Book Value			
At 31 December 2013	<u>937</u>	<u>5,698</u>	<u>6,635</u>
At 31 December 2012	<u>-</u>	<u>9,380</u>	<u>9,380</u>

CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

11. Investments

	UK Listed Investments	Total
	£	£
Market Value		
At 1 January 2013	17,931	17,931
Purchase	-	-
Increase/(Decrease) on revaluation in year	2,133	2,133
Disposal		
At 31 December 2013	<u>20,064</u>	<u>20,064</u>
Historic Cost	<u>20,000</u>	<u>20,000</u>

The UK listed investment is Income Units in CCLA Investment Management Limited's COIF Charities Investment Fund.

12. Debtors

	2013	2012
	£	£
The Free Church Federal Council (Incorporated)	34,195	78,895
Other debtors	67,136	88,956
Prepayments	1,910	16,912
Total	<u>103,241</u>	<u>184,763</u>

13. Current Liabilities: Amounts Falling Due Within One Year

	2013	2012
	£	£
Other creditors	55,971	12,721
Tax and NI creditor	7,730	23,419
Accruals	8,800	19,300
Deferred current year income	12,750	12,750
Total	<u>85,251</u>	<u>68,190</u>

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**

14. Pension Obligations

Past and some current employees of CTE are entitled to membership of the Pension Trust Growth Plan ("the Plan"). This is a multi-employer pension plan which in most respects is a money purchase arrangement, although it does include certain guarantee elements as described below.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The latest formal valuation of the Plan was performed at 30 September 2011 and this showed the Plan to have a funding level of 84% on a Technical Provisions valuation basis and a funding level of 77.3% on a buy-out basis.

The Charity paid contributions totalling £5,614 (2012: £2,645) during the year. This includes additional contributions of £423 per month from 1 April 2013 (due to increase by 3% per annum from 1 April 2014).

The Charity has been advised by the Plan trustee that, in the event that it was to withdraw its membership of the Plan, it would have a liability to pay its share of the overall Plan deficit calculated on a statutory basis. Following a change in definition of money purchase contained in the Pensions Act 2011 it is not yet clear whether that liability should be calculated including or excluding the series 3 liabilities. The Plan trustee has advised the Charity that on the most likely interpretation the series 3 liabilities should be included which would result in a contingent liability of £67,735 at 30 September 2012. If series 3 liabilities were excluded from the calculation the contingent liability would be £89,058. This debt will not crystallise while CTE continues to have one or more active members in the scheme.

The amount of the above potential debt depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the Charity, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of the debt can therefore be volatile over time.

15. Funds

	Balance at 1 January 2013 £	Income £	Expense s £	Gains, Transfers Other £	Balance at 31 December 2013 £
Unrestricted Funds:					
General funds	545,979	656,448	681,922	2,133	522,638
Designated funds:					
The Leicester Fund	21,350	-	-	-	21,350
Forum 2015		7,000	-	-	7,000
Total designated funds	<u>21,350</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>28,350</u>
Total Funds	<u><u>567,329</u></u>	<u><u>663,448</u></u>	<u><u>681,922</u></u>	<u><u>2,133</u></u>	<u><u>550,988</u></u>

15. Funds (continued)

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)**

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the trustees for a particular purpose. The Leicester fund represents monies received from Leicester Free Church Women's Council which will be used for the purposes of projects which focus on women's concerns, slavery and leadership training in Sierra Leone.

The Forum 2015 represents funds earmarked by the trustees to meet the cost of an event called The Forum which is intended to be run every three years, the next event being planned for 2015.

16. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds				
General funds	6,635	20,064	495,939	522,638
Designated funds:				
Leicester fund	-	-	21,350	21,350
Forum 2015			7,000	7,000
Total designated funds			28,250	28,350
Total Funds	6,635	20,064	524,289	550,988

17. Related Parties and Control

The General Secretary has day to day control of the charity. The trustees have overall control of the charity.

The company had, up to 31 December 2013, a joint operating agreement with The Free Church Federal Council (Incorporated) (TFCFC). Some staff within CTE worked on Free Church matters. TFCFC contributed to the staff and other costs within the joint operating agreement. The contributions from TFCFC, full staff and other costs, are included within these financial statements as shown in note 3. CTE also pays TFCFC rent for occupying its premises as disclosed in note 5. During the year staff relating to TFCFC have transferred their employment from CTE to TFCFC under TUPE regulations.

18. Operating lease commitments

At 31 December 2013 the charity had annual commitments under operating leases as set out below:

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire in more than five years:	-	60,000