



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

**COMPANY NUMBER 05354231
CHARITY NUMBER 1110782**

**TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2016**

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

CONTENTS

Contents	Page
Company Information	2
Trustees' Report	3-13
Report of the Independent Examiners	14
Statement of Financial Activities (Including Income and Expenditure Account)	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18-25

CHURCHES TOGETHER IN ENGLAND

COMPANY INFORMATION

Company number	05354231
Charity number	1110782
Trustees/Directors	Rt Revd Robert Byrne (Convenor from March 2016) Rt Revd Christopher Foster (Convenor to March 2016) Revd Ruth Bottoms (Deputy Convenor) Mr Peter Hammond (Treasurer) Archbishop Doyé Agama HG Bishop Angaelos Revd Stephen Fowler Mr William Gabb Revd David Lavender Revd Dr Roger Paul Revd Dr Andrew Prasad (Until September 2016) Janet Scott Penny Thatcher
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
Independent Examiners	Knox Cropper 8/9 Well Court London EC4M 9DN

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT

The Trustees present their annual report with the accounts for the year ended 31 December 2016. The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, Financial Reporting Standard 102 and follow the recommendations in 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).

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 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 Associations 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 CTE has 44 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.

CTE 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 ecclesial traditions and cultures finding new ways to work and worship together.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CTE 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 CTE: 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 New Churches, the Religious Society of Friends and the Lutheran and German speaking Churches. 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 to seek a common understanding of Christ's message of salvation in the Gospel; and to work towards the visible unity of the Church of Jesus Christ in the one faith in the presence of HM The Queen, at Windsor. This has subsequently been signed by the 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

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

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.

The Enabling Group has the legal responsibilities in the governance of the charity for electing the 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 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 Trustees meet at least three times a year. They are mostly elected because they already have the necessary experience of being a Trustee and /or director within their denomination. Time is given within Trustees' meetings to focus on the role and changes in legislation. Those new to the work of the company meet with the General Secretary. Where required, formal training or advice from consultants is given. The Trustees (who are also Directors) who served during the year were:

Rt Revd Christopher Foster (Chair/Convenor)	Mr William Gabb
Revd Ruth Bottoms (Deputy Convenor)	Revd David Lavender
Mr Peter Hammond (Treasurer)	Revd Dr Roger Paul
Archbishop Doyé Agama	Revd Dr Andrew Prasad (until September)
HG Bishop Angaelos	Janet Scott
Rt Revd Robert Byrne	Penny Thatcher
Revd Stephen Fowler	

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

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 time staff members.

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, CTE 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 assist them to create relationships with neighbours of other faiths and beliefs.

OBJECTIVES AND ACTIVITIES

The charity's objectives ("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)

REVIEW OF THE YEAR

During 2016 we have continued to implement the strategic priorities which we identified in 2014 - relationships, action for mission, and theological reflection. The ecumenical landscape is continually re-figuring, reflecting the increase of partner churches, particularly locally, but also nationally. As this report shows, we are sensitive to those shifts, and our strategic priorities allow us to respond freely and creatively to those changes. Our goal remains the pursuit of the journey towards the unity for which Christ prayed on the evening before his death.

Relationships

2016 began for us on a note of sorrow as the staff team attended the funeral of our former colleague John Bradley in early January. John had devoted a great part of his ministerial life to working for Christian unity, first as a County Officer in Devon, and for many years as our Field Officer for the South of England. What was deeply moving and profoundly encouraging, however, was the gathering of friends and colleagues both present and past from the widest spectrum of places and churches. It spoke profoundly, not just about the respect in which John was held, but also about those deep bonds in Christ which bind us in spite of

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

theological difference and ecclesial nuance, and it reminded us of our responsibility to nurture those deep bonds and provide the space and soil in which they can grow.

That is why relationships remain at the heart of our work, and that means sustaining a diverse series of networks, meetings, conferences, consultations and encounters which allow people to meet. It also means attending carefully to infrastructure. We devote a good deal of staff time and resources to our web-site because it is a working space for those in the ecumenical front-line. It has nearly 3,000 pages of news, information and resources. During 2016 there was an average of 8,047 page requests each day. We also maintain a live Twitter feed of news between the Churches, Agencies and Bodies in Association of Churches Together in England on the home page. On average we re-tweet about 45 messages per day. We also maintain *The Black and Multi-cultural Churches Directory*, which has over 2,000 entries and remains the most significant on-line resource about that sector of English Christianity.

We have developed our monthly ecumenical news digest 'CTe-news', inviting a wide range of contributors to produce an opening monthly reflection. It has a circulation of just over 1,100, and is an admirable well received digest. *Evangelism UK* is a much more specialised news service which circulates to just over 200 evangelism professionals.

Local relationships are the heartbeat of English ecumenism, and they are changing. That is partly because there are more partners (we have grown from 16 to 44 members since 1990), partly because the focus of local church engagement is community focused mission, and partly because shrinking resources mean that some long-cherished institutions are no longer viable. What is encouraging is that new patterns of ecumenical engagement in mission and joint working are emerging. We have been hard at work in 2016 with our member churches and their Ecumenical Officers in creating a new, more flexible and permissive framework for local ecumenical work. During 2016 we took drafts of that document out to consultation, and we hope that it will be launched in 2017. Alongside that, we continue to monitor what is happening, to reflect on it in our own thinking and to engage creatively with new developments – for example, we welcomed Roger Sutton of the 'Gather' movement to our September Enabling Group, and are partnering with them in planning a major conference for October 2017 called 'Movement Day', aiming to bring together 600 participants from 'unity for mission' organisations across the country. At the same time we rejoice in developments like the 'ecumenical county' plans in Cumbria, where on Advent Sunday 2016 The Salvation Army joined the Church of England, Methodists and United Reformed Churches in signing the Declaration of Covenant Partnership. Alongside partners who have signed a Letter of Companionship, they seek together to bring the good news of God's love to all the people of the county.

That 'rejoicing' translates into tangible support in the work that we undertake with local ecumenical officers (both County and Denominational) and Intermediate Bodies. All staff share in this, but Jenny Bond (the Officer for Training, Resources and Events) acts as first port of call for enquiries and support. We have continued to provide support during County Ecumenical Officer vacancies, helped with recruitment and professional appointment procedures and with the induction of newly-appointed Officers, offering them a personalised induction session at CTE's London offices. The training course for new Ecumenical Officers continues to be refined and improved in collaboration with our National Ecumenical Officer colleagues.

We worked with a team of Ecumenical Officers from the South-West to produce a well-attended annual consultation at High Leigh. The theme was *Five Ecumenical Imperatives and the Reformation*, drawing on the work of the international Report of the Lutheran-Roman

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

Catholic Commission on Unity *From Conflict to Communion*, and the advice of CTE's Presidents on commemorating the Reformation. The intent was to equip Officers to produce and manage commemorations of the 500th anniversary of the Lutheran reformation in their own areas. The Revd Dr Hugh Osgood, one of CTE's Presidents attended and preached at the main act of worship.

Our Governance processes also rely on relationships. That is expressed primarily through the twice yearly 24 hour Enabling Group (the meeting of members). Attendance at these meetings continues to be impressive. One member described the experience in 2016 as 'multi-lateral, multi-vocal, multi-level conversation and theological reflection and listening together'. The Enabling Group has become an opportunity for encountering the diversity of English Christianity and its underlying unity in a shared discipleship in Jesus Christ. During 2016 the Unification Council of the Cherubim and Seraphim Churches (European Chapter), which celebrated its 50th anniversary in 2016, and the United Reformed Church and Congregational Federation, who share a common history, shared something of their ethos, worship and life with the meeting. During the year the Group received presentations on ecumenical developments, thought together about the ways in which the 500th anniversary of the Lutheran reformation of 1517 could be commemorated, worked on the new framework on local unity in mission and celebrated the ecumenical launch by the Presidents of the 'Thy Kingdom Come' prayer initiative for 2017. The balance of learning, reflection and business makes the Enabling Group a key tool for co-ordination between churches at a national level. That encounter is sometimes reflected in wider national encounters. For example, 2016 saw the first ever English Orthodox-Pentecostal meeting to discuss bi-lateral relations and possible co-operation in mission. We hope that will be built on in 2017.

If relationships are especially highlighted in the Enabling Group, they form a thread which runs through the more 'routine' work which is seen when Co-ordinating Groups of church professionals – those responsible for ministerial training, for HR management, evangelism and mission, new housing and theology and unity - meet. Much of that is necessarily 'under the radar' of publicity and news, but such networks facilitate sharing resources, working together, and co-operation which are essential to ecumenism. More noticeable is the profile of our Bodies in Association, whose meetings we host alongside our colleagues in CTBI, and our servicing of the National Ecumenical Officers meetings – but once again, relationships are key.

A highly significant ecumenical development during 2016 has been the consolidation of the National Pentecostal Forum – a bi-annual meeting which brings together representatives of twenty national Pentecostal and charismatic CTE members – which acts both as a forum for developing policy and to deepen relationships and understanding within that sector of church life.

We have also sought to follow through the innovative work of the 2015 Forum which sought to listen to the voices of young leaders, gathered together through a partnership with the *Chemin Neuf* community. Together with the Council for Christian Unity of the Church of England, we provided twelve bursaries each to fund young leaders to attend *Chemin Neuf's* follow up celebration to *Paradise in the City* at Lodz in Poland. The Church of England's Secretary for Theology and Ecumenism and the General Secretary were then part of a day's de-briefing session with those young leaders. We then engaged them further in a presentation to the Presidents and church leaders at Lambeth Palace in October. We intend to continue that focus at our 2018 Forum for which planning is already underway. It was deeply moving to see how these young people responded to Christian difference with openness and generosity, yet with a rootedness in their own church life and to feel their 'holy impatience' with disunity. For some it was the first time they had met Christians of different

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

denominations and spiritualities and was a salutary reminder of the iterative nature of ecumenism. It also raises the critical strategic question of how best the churches can nurture that age-group and encourage their ecumenical participation.

Action for Mission

Our work here falls into discrete categories. We have expertise in Pentecostal and Multicultural Relations (PMR), and our engagement with public affairs and government is focused here. Our staff member in this area, Bishop Dr Joe Aldred, is also key to many initiatives within the wider black community. We have been delighted to have Mrs Elizabeth Joy working alongside him as a volunteer during 2016. Other organisations have drawn on the expertise of our PMR work - Churches Together in Britain and Ireland's Churches Forum for Interfaith Relations, the One People Commission of the Evangelical Alliance, the Inter-Faith Network and the National Church Leaders Forum - as it seeks to represent the 'voice' of black Christianity in Britain. That range of collaboration is an indication of the respect in which our expertise is held.

Two projects have been of particular significance this year. We have continued to put resources and energy into the promotion of the anti-slavery / human trafficking agenda particularly within the black Pentecostal sector. That initiative – Churches Combatting Modern Slavery-Human Trafficking (CCMS-HT) – continues to raise awareness of the issue amongst Pentecostal Churches. The on-line information hub is now well established. That initiative has been complemented by a research project commissioned from the Cambridge Centre for Applied Research in Human Trafficking (CCARHT) to begin a conversation particularly with black churches to explore the nature of human trafficking and violence against women. The project, 'Trafficking recognition and the impact on women for Pentecostal churches in the UK' has been running through 2016 and will be published in 2017.

We have also been running and managing a Heritage Lottery funded project - 'They Also Served - The Contribution of Black African and Caribbean servicemen and servicewomen to WW1'. This eighteen month project ran through 2016, directed by Dr Angelina Osborne and will conclude with a commemorative event in Birmingham in July 2017. It is hoped that it will raise awareness during the centenary of the First World War of this regrettably often neglected narrative, and in its turn deepen our appreciation of our shared and multicultural history.

The second area on which we focus is through the work of Capt. Jim Currin CA on evangelism and mission. One area of work which has had a high profile in 2016 is new housing areas. The Churches Group for New Housing Areas was pleased to collaborate in research which led to the publication of *Pioneer Ministry in New Housing Areas* (www.grovebooks.co.uk) by two Baptist Ministers, Revds Penny Marsh and Ali Boulton, and to stage the launch of the publication in June. It was accompanied by an article from a Catholic perspective by Fr James Cassidy in *One in Christ* (Dec 2016).

The celebration of the Queen's 90th birthday saw many local Churches Together groups run local events – street parties, festivals, all age events – and we were pleased to act as resource for information and co-ordination. It was also a joy that our Presidents and the General Secretary were able to take part in the memorable service of national thanksgiving at St Paul's.

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

However, the most hopeful development of the year was the way in which the Archbishop of Canterbury's prayer initiative for evangelism between Easter and Pentecost rapidly became ecumenical. We were pleased that other national church leaders and denominations responded in 2016, and even more delighted that by the end of the year CTE's Presidents agreed to adopt the initiative for 2017 as an ecumenical venture from the very beginning. Jim Currin has been a key player for us, co-ordinating the ecumenical dimension of this in the planning process, and we hope and pray that it will continue to bear fruit across the country.

We were also part of small consortium of denominations and agencies who gave consideration to the possibilities of a Church Census in 2016. Ultimately the decision was made not to proceed, but the process itself was a significant learning experience and our hope is that the experience will be helpful in planning future quantitative research into mission initiatives.

Theological reflection

Theological reflection is fundamental to all that we do. All our courses and events include Bible Study or theological reflection.

The Theology and Unity Group has done sterling work over many years in receiving and discussing dialogue reports and considering theological issues of particular ecumenical significance. 2016 was no exception. *Sharing the Faith at the Boundaries of Unity: Conversations between the Church of England and the Baptist Union of Great Britain*, the WCC's *Called to dialogue: religious and interfaith dialogue in conversation*, the international Methodist-Catholic report *The call to holiness: from glory to glory, Amoris Laetitia*, the Anglican-Orthodox report *A hopeful anthropology*, the Chieti report of Roman Catholic-Orthodox dialogue and the Baptist-Roman Catholic international dialogue all fell under its aegis. We also said farewell and thank you to the Group's indefatigable Secretary, David Carter, and are now taking the opportunity to re-think how the churches can engage together in theological reflection. David's valuable paper, *A history of TUG 1996-2016*, is available on our web-site.

We were delighted to host the first ever national Pentecostal symposium at Kensington Temple in November 2016. Over two hundred representatives of Pentecostal and charismatic churches gathered to worship and reflect together. It was an occasion of celebration, recognition, and academic reflection. Papers were given by Dr Andrew Davies on the history of Pentecostalism, Dr Daniel Akhazema on Pentecostal diversity, Dr Anne Dyer on Pentecostalism and ecumenism and Dr David Muir on Pentecostalism and socio-political and economic engagement. Our hope is that this will eventually result in publication, and that the symposium will be the first of many such events which will allow a popular engagement with Pentecostal theology and spirituality.

2016 saw a number of staff sabbaticals which have resulted in theological reflection – Joe Aldred spent some time assessing the nature of ecumenism in Jamaica. His paper *The ecumenical context of Jamaica* is available on the web-site. Jenny Bond worked on the ways in which her experience and skills as a spiritual director have implications for the practice of ecumenism, and Jim Currin returned to the questions around paradox and the gospel – his reflections: *Paradox in the gospel: some reflections for evangelisation today* is on the web site.

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

The General Secretary is part of a small group preparing a resource on 'Receptive Ecumenism' which CTE hopes to publish as a web-resource during 2017. He also contributed a papers on how to commemorate the reformation to the Enabling Group, (which is available on the web-site) and a paper on 'Abiding in John's gospel: balancing the ecumenical debate' to a meeting of the Theology and Unity Group.

All staff members have been involved in giving papers to Churches Together groups at local and intermediate levels across the country.

Governance issues and general remarks

The Board regretted the decision of the Archbishops' Council of the Church of England to reduce their funding of CTE by £80K as from 2017, not least because no prior conversation had taken place with ecumenical partners. However, they took the decision to respond by initiating a review from the Theos Think Tank on the nature of English ecumenism and what the churches seek from CTE as the National Ecumenical Instrument for England over the next five years. That research began in the autumn of 2016 and will be concluded by the middle of 2017, at which point the churches will be engaged in a process to consider how they wish funding to be handled.

In the meantime careful financial control will be exercised as we will be in a period of deficit financing which is sustainable in the short term but clearly not in the long term.

Key Performance Indicators 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 we are dealing with a number of applications from churches who wish to join, and that during 2016 we welcomed the Ixthus Church Council as members and The Friends of the Holy Land as a Body in Association

Another Key Performance Indicator is those who are willing to lend their support to us, or work in partnership with us. The Archbishop of Canterbury, the Cardinal Archbishop of Westminster, HE Archbishop Gregorios of Thyateira and Great Britain, Bishop Eric Brown, the Revd Dr Hugh Osgood and the Revd Canon Billy Kennedy continued to serve us as Presidents. 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 the Inter-Faith Network of the United Kingdom, the British Trust for Tantar, the *We Gather* network of the Evangelical Alliance, Together for the Common Good, Hope Together, the National Church Leaders' Forum, and the *Chemin Neuf* community (amongst others) as well as the other National Instruments and Churches Together in Britain and Ireland. The General Secretary was privileged to be part of the CTBI writers' group producing the *Week of Prayer for Christian Unity* material. The Society of Jesus also drew on Jenny Bond's expertise to lead a day on 'Women in the Church' for an international group of ordinands at Valladolid. Joe Aldred remains an Honorary Research Fellow at Roehampton University.

During the year we have reached an agreement with the Free Churches Group about the rent of office space.

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

PLANS FOR THE FUTURE

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

Our future plans will be intimately connected with the reception of the Theos review and what it tells us about the ecumenical needs and aspirations of our member churches over the next three to five years. The Board will be actively engaged with Theos during 2017 with a view to bringing the process to a conclusion during the early months of 2018. Finance and funding – recognised in our risk assessments as being our majority vulnerability – will be a critical part of those discussions. The Board will also review the staffing structure of CTE in the light of the General Secretary's impending retirement after the 2018 Forum.

We hope those actions will allow us to keep delivering 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.

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

2017 is an important year theologically because it marks the 500th anniversary of the Lutheran reformation and the eventual emergence of Protestant pluralism and Tridentine Catholicism in Western Europe. In a sense it is those events which set the agenda for the ecumenical movement and how we handle the legacy of the reformation(s) will therefore be an important aspect of our work during the year.

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.

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 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. Clearly the reception of the Theos review by the churches and the ensuing decisions they will make about structures of funding for 2018 onwards are critical to the shaping of CTE's future work.

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

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

CTE 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 endeavoured 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 certified first aider amongst its employees. Staff training and consciousness-raising is regarded seriously.

CTE 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. CTE is registered with the Information Commissioner.

FINANCIAL REVIEW

The result for the year is shown in the Statement of Financial Activities on page 15, and is considered satisfactory by the Trustees. The level of income is consistent with the previous year, but expenditure has increased due to additional projects being undertaken. The surplus in the year on the General Fund of £80,984 (2015: £95,068) leaves the general fund with a balance of £551,670 which the Trustees consider adequate to provide the charity with stability and enable longer term planning.

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'. Investment performance was satisfactory.

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 nine months' expenditure in order to meet any contractual and winding-up costs.

At the year end the charity held restricted funds of £8,134 (2015: £27,665), designated funds of £222,387 (2015: £215,767) and general funds of £551,670 (2015: £470,686) [of which £Nil (2015: £439) is represented by tangible fixed assets]. The Trustees consider the current level of reserves to be appropriate for the present situation and requirements of the charity, and will continue to review the overall position and policy at regular intervals. The Special Projects Fund is intended to be expended over the next 3 to 5 years.

INDEPENDENT EXAMINERS

Knox Cropper were appointed as Independent Examiners of the Charity the last Annual General Meeting and a resolution proposing their reappointment will be put to the next Annual General Meeting.

**CHURCHES TOGETHER IN ENGLAND
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

TRUSTEES' REPORT (CONTINUED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees 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 Trustees 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.

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

On behalf of the Board

The Revd Ruth Bottoms
Dated: 13 July 2017

**REPORT OF THE INDEPENDENT EXAMINERS
TO THE MEMBERS OF
CHURCHES TOGETHER IN ENGLAND
FOR THE YEAR ENDED 31 DECEMBER 2016**

I report on the accounts for the year ended 31 December 2016 set out on pages 15 to 25.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors 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 required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

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 the independent examiner's report

My examination was carried out in accordance with the 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 statements 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 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of 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 (FRS 102)).

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.

Richard Billingham FCA
Knox Cropper
8/9 Well Court
London
EC4M 9DN

Date: 17 July 2017

**CHURCHES TOGETHER IN ENGLAND
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Unrestricted Funds		Restricted Funds	Total Funds	Total Funds
		General	Designated			
		2016	2016	2016	2016	2015
		£	£	£	£	£
INCOME FROM						
Donations and legacies	2	427,593	-	-	427,593	434,468
Charitable Activities	3	40,615	19,591	-	60,206	52,881
Investments	4	3,017	-	-	3,017	3,038
Total		471,225	19,591	-	490,816	490,387
EXPENDITURE ON						
Charitable activities	5	392,410	12,971	19,531	424,912	390,497
Total expenditure		392,410	12,971	19,531	424,912	390,497
Net Income / (Expenditure) before gains / (losses) on investments		78,815	6,620	(19,531)	65,904	99,890
Gains / (Losses) on investments	9	2,169	-	-	2,169	260
Net Income / (Expenditure)		80,984	6,620	(19,531)	68,073	100,150
Transfers between funds		-	-	-	-	-
Net movement in Funds		80,984	6,620	(19,531)	68,073	100,150
Reconciliation of Funds						
	13					
Balances at 1 January		470,686	215,767	27,665	714,118	613,968
Net movement in Funds		80,984	6,620	(19,531)	68,073	100,150
Balances at 31 December		551,670	222,387	8,134	782,191	714,118

**CHURCHES TOGETHER IN ENGLAND
BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Notes	2016			2015
		£	£	£	£
Fixed Assets					
Tangible assets	8	-		439	
Investments	9	23,457		21,288	
		<hr/>	23,457	<hr/>	21,727
Current Assets					
Debtors	10	26,744		7,703	
Cash at bank and in hand		815,661		772,420	
		<hr/>		<hr/>	
		842,405		780,123	
Current Liabilities					
Amounts falling due within one year	11	<u>(34,203)</u>		<u>(36,410)</u>	
Net Current Assets			808,202		743,713
Creditors: amounts falling due in more than one year	12		(49,468)		(51,322)
Net Assets			<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			782,191		714,118
Funds					
Unrestricted:					
General	13		551,670		470,686
Designated	13		222,387		215,767
Restricted	13		8,134		27,665
Total Funds			<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			782,191		714,118

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 Financial Reporting Standard 102.

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that 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 charitable company as at the end of each financial year and of its surplus or deficit 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 charitable company.

The financial statements were approved by the Board of Trustees on 13 July 2017 and were signed on its behalf by:

Peter Hammond, Director
Company Number: 05354231

**CHURCHES TOGETHER IN ENGLAND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	£	£
Net income/(expenditure) for the year	68,073	112,926
Adjustments for:		
Depreciation charges	439	860
(Gains)/losses on investments	(2,169)	(260)
Dividends, interest and rents from investments	(3,017)	(3,038)
(Increase)/decrease in debtors	(19,041)	128,188
(Decrease)/increase in creditors	(2,207)	(6,554)
Increase/(decrease) in creditors over one year	(1,854)	6,065
	<u>(27,849)</u>	<u>125,261</u>
Cash flows from operating activities	40,224	238,187
Cash flows from investing activities		
Dividends, interest and rents from investments	<u>3,017</u>	<u>3,038</u>
Cash provided by investing activities	<u>3,017</u>	<u>3,038</u>
Change in cash and cash equivalents in the year	43,241	241,225
Cash and cash equivalents at the beginning of the year	<u>772,420</u>	<u>531,195</u>
Total cash and cash equivalents at the end of the year	<u>815,661</u>	<u>772,420</u>

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1) Accounting Policies

a) Basis of preparation

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

Churches Together in England meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going Concern

After making enquires, the Trustees have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustee's Responsibilities.

c) Grants receivable, donations and subscriptions

Grants receivable, donations and subscriptions are recognised in the period when the charity has entitlement to the funds, any performance conditions attached to the item of income has been met, it is probable that the income will be received and the amount can be measured reliably.

d) Investment income

Investment income is recognised on the receipts basis.

e) Grants paid

Grants paid are recognised on a payments basis.

f) 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.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities and include the charity's governance costs. Governance costs are 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.

g) 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 a money purchase arrangement, but does include certain guaranteed benefit elements. The Plan is a multi-employer scheme. As such 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 section 28 of FRS102, is also accounted for as a defined contribution scheme with contributions being recorded as they become payable.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the liability for this obligation is recognised as the net present value of the deficit reduction contributions payable under the agreement.

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

h) 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:

- i) Office furniture - 10% / 20% straight line
- ii) Office equipment - 20% straight line
- iii) Computer equipment - 50% / 33% straight line

i) Listed investments

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

j) 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.

k) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see notes 11 and 12). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2) Donations and Legacies

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	2016	2016	2016	2016	2015
	£	£	£	£	£
Donations:	903	-	-	903	432
Grants:	-	-	-	-	30,950
Contributions from Member Churches	426,690	-	-	426,690	403,086
Total	427,593	-	-	427,593	434,468

3) Charitable Activities

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	2016	2016	2016	2016	2015
	£	£	£	£	£
Subscriptions from intermediate 'Churches Together' bodies	10,850	7,000	-	17,850	17,675
Conference fee income	29,524	12,591	-	42,115	32,501
Sales of publications	-	-	-	-	417
Miscellaneous income	241	-	-	241	2,288
Total	40,615	19,591	-	60,206	52,881

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4) Investments

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	2016	2016	2016	2016	2015
	£	£	£	£	£
UK Listed Investment	780	-	-	780	813
Bank interest received	2,237	-	-	2,237	2,225
Total	3,017	-	-	3,017	3,038

5) Expenditure: Charitable activities

	Unrestricted Funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	2016	2016	2016	2016	2015
	£	£	£	£	£
Staff costs:					
General activities	147,723	-	-	147,723	154,110
Minority and Ethnic Christian affairs	60,259	-	-	60,259	49,803
Interfaith officer	-	-	-	-	4,849
Evangelisation officer	50,797	-	-	50,797	49,876
They Also Served Project Officer	-	-	14,813	14,813	-
Total Staff costs	258,779	-	14,813	273,592	258,638
Support costs:					
Rent	6,000	-	-	6,000	9,000
Property expenses	-	-	-	-	88
Office costs	17,950	-	-	17,950	8,372
Staff welfare, training and recruitment	1,340	-	-	1,340	473
Computer consultancy and running costs	7,827	-	-	7,827	6,836
Travel expenses	23,605	-	-	23,605	21,198
Insurance	3,926	-	-	3,926	4,013
Legal fees, HR and financial consultancy	38,675	12,607	4,718	56,000	15,998
Conference expenses	20,182	364	-	20,546	59,323
Publications	-	-	-	-	-
Bad debts	4,845	-	-	4,845	-
Depreciation	439	-	-	439	860
Total Support costs	124,789	12,971	4,718	142,478	126,161
Governance Costs					
Independent Examination Fee	3,155	-	-	3,155	1,125
Other Governance costs	5,687	-	-	5,687	4,573
Total Governance costs	8,842	-	-	8,842	5,698
Total	392,410	12,971	19,531	424,912	390,497

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6) Trustees' Emoluments

None of the Trustees were remunerated or received pension benefits.

Expenses reimbursed to Trustees for travel, subsistence and conference expenses were £1,858 (2015: £2,500).

7) Staff Costs

Staff costs during the year were:

	2016	2015
	£	£
Wages and salaries	227,058	206,148
Social security costs	21,576	20,503
Pension contributions	24,958	31,987
Total	<u>273,592</u>	<u>258,638</u>

No employees received remuneration greater than £60,000.

The average number of employees during the year was:

	2016	2015
	Number	Number
Direct charitable activities	3.5	3.5
Management and administration	1.5	1.5
Total	<u>5.0</u>	<u>5.0</u>

All staff are entitled to receive pension contributions. Pension contributions for the current year are after recognising the movement in the deficit reduction funding provision for the year as analysed in note 12. This was a release of £1,854 in the current year (2015: increase of £6,065).

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any trustee (whether executive or otherwise) of the charity. The key management personnel of Churches Together in England are the Trustees and the General Secretary.

Total compensation paid to key management personnel in the year amounted to £53,379.48 (2015: £52,344.60).

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8) Tangible Fixed Assets

	Office Equipment £
Cost	
At 1 January 2016	2,776
At 31 December 2016	2,776
Depreciation	
At 1 January 2016	2337
Charge for the year	439
At 31 December 2016	2,776
Net Book Value	
At 31 December 2016	-
At 31 December 2015	439

9) Investments

	UK Listed 2016 £	UK Listed 2015 £
Market Value		
At 1 January 2016	21,288	21,028
Increase on revaluation in year	2,169	260
At 31 December 2016	23,457	21,288
Historic Cost	20,000	20,000

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

10) Debtors

	2016 £	2015 £
The Free Church Federal Council (Incorporated)	2,934	2,934
Other debtors	20,650	1,490
Prepayments	3,160	3,279
Total	26,744	7,703

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11) Current Liabilities: Amounts Falling Due Within One Year

	2016	2015
	£	£
Other creditors	10,817	7,828
Tax and NI creditor	6,506	6,279
Accruals	16,880	22,303
Total	<u>34,203</u>	<u>36,410</u>

12) 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 (Series 1 and Series 2) 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.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed total scheme assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme. During the year this amounted to £5,276 (2015: £5,342) in respect of CTE.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. From 1 April 2016 to 30 September 2028: the additional contributions will be £5,359 per annum (payable monthly and increasing by 3% each on 1st April).

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using an appropriate discount rate of 1.44% (2015: 2.5%). The unwinding of the discount rate is recognised as a finance cost.

	2016	2015
	£	£
Provision as at 1 January	51,322	45,257
Unwinding of the discount factor	1,211	848
Deficit contributions paid	(5,276)	(5,342)
Re-measurements – impact of any change in assumptions	2,211	(1,266)
Re-measurements – amendments to the contribution schedule	-	11,825
Provision as at 31 December	<u>49,468</u>	<u>51,322</u>

During the course of the year communication has taken place with the trustees of the United Reformed Church Ministers' Pension Fund concerning a potential deficit on a pension to one employee, the amount of this deficit is unknown at the present time.

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13) Funds

	Balance at 1 January £	Income £	Expenses £	Gains £	Transfers £	Balance at 31 December £
Unrestricted Funds:						
General funds	470,686	471,225	(392,410)	2,169	-	551,670
Designated funds:						
The Leicester Fund	15,767	-	(12,607)	-	-	3,160
Forum	-	19,591	(364)	-	-	19,227
Special Projects Fund	200,000	-	-	-	-	200,000
Total designated funds	<u>686,453</u>	<u>490,816</u>	<u>(405,381)</u>	<u>2,169</u>	<u>-</u>	<u>774,057</u>
Restricted Funds						
They also served	<u>27,665</u>	<u>-</u>	<u>(19,531)</u>	<u>-</u>	<u>-</u>	<u>8,134</u>
Total Funds	<u>714,118</u>	<u>490,816</u>	<u>(424,912)</u>	<u>2,169</u>	<u>-</u>	<u>782,191</u>

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 are used for the purposes of projects which focus on women's concerns.

The Forum 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 Special Project Fund has been established to provide support for small projects run by CTE and capacity building within Churches Together groups.

The They Also Served Fund has been set up for a project to explore the Black African and Caribbean contributions of servicemen and women during the First World War.

14) Analysis of Net Assets Between Funds

	Tangible Fixed £	Investment £	Net Current £	Total £
Unrestricted Funds				
General funds	-	23,457	528,213	551,670
Designated funds:				
Leicester fund	-	-	3,160	3,160
Forum 2015	-	-	19,227	19,227
Special Projects Fund	-	-	<u>200,000</u>	<u>200,000</u>
Total designated funds	<u>-</u>	<u>-</u>	<u>222,387</u>	<u>222,387</u>
Restricted Funds				
They also served	<u>-</u>	<u>-</u>	<u>8,134</u>	<u>8,134</u>
Total Funds	<u>-</u>	<u>23,457</u>	<u>758,734</u>	<u>782,191</u>

**CHURCHES TOGETHER IN ENGLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15) Operating lease commitments

At 31 December 2016 the charity had no (2015: nil) annual commitments under operating leases.

16) Comparative Statement of Financial Activities analysed by fund type

	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	Funds
	2015	2015	2015	2015
	£	£	£	£
INCOME FROM				
Donations and legacies	403,518	-	30,950	434,468
Charitable Activities	35,056	17,825	-	52,881
Investments	3,038	-	-	3,038
Total	<u>441,612</u>	<u>17,825</u>	<u>30,950</u>	<u>490,387</u>
EXPENDITURE				
Charitable activities	346,804	40,408	3,285	390,497
Total expenditure	<u>346,804</u>	<u>40,408</u>	<u>3,285</u>	<u>390,497</u>
Net Income/(Expenditure) before gains/(losses) on investments	94,808	(22,583)	27,665	99,890
Gains / (Losses) on investments	260	-	-	260
Net Incoming/(Expenditure)	<u>95,068</u>	<u>(22,583)</u>	<u>27,665</u>	<u>100,150</u>