

**THE PRESBYTERIAN CHILDREN'S SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

THE PRESBYTERIAN CHILDREN'S SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

President	Rev Dr J I Thompson, MBE, TD, DL, BSc, BD, MTh, DMin
Vice President	Mrs V McGuffin, M Inst LM
Honorary Secretary	Mr N W Todd, BEd, MA, MSc
Honorary Treasurer	Mr W N Bennett BSc (Econ) Hons, IPFA
Governors	Rev Dr L E Carroll, BA, BD, PhD, LLCM Mr B Corry, ACII, DipPFS Mrs H Hamilton, BSc (Econ), ACA Mr C Kerr, QFSM, DL, BA, MSc Rev P A McBride, BEd, BD Mr I McMinn MBE His Honour J A H Martin, LLB, DipLAW, BL, QC Mrs H Morrow, BA, FCA Rev T C Morrison, BA, BD Mrs J E Wilson, MB, BCh, BAO, MRCP Rev T R Graham, BA (resigned 21 October 2021) Very Rev Dr S Hutchinson, BA, BD, MTh, DD (obit 19 November 2021)
Responsible for day to day administration of the charity	Mr J G Nicholson BA (Hons)
Charity number	NIC101444
Registered office	Glengall Exchange 3 Glengall Street Belfast BT12 5AB
Auditor	Harbinson Mulholland Centrepoint 24 Ormeau Avenue Belfast BT2 8HS
Bankers	Danske Bank Donegall Square West Belfast Co. Antrim Northern Ireland BT1 6JS
Solicitors	Carson McDowell Solicitors Murray House Murray Street Belfast BT1 6DN

THE PRESBYTERIAN CHILDREN'S SOCIETY

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THE PRESBYTERIAN CHILDREN'S SOCIETY

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Governors present their report and the audited financial statements for the year ended 31 December 2021.

The financial statements comply 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).

Purpose and Aims

The Society's purposes are outlined as follows:

- a. Making Grants for or towards the education and maintenance of children selected as outlined in the grant making procedure. The benefit that flows from this is that the well-being of children and their families is enhanced by basic financial needs being addressed and/or poverty alleviated. An annual means testing procedure ensures families are in need of assistance and therefore will benefit from the financial grants provided. The Society invites applications for the funding of grants to individuals through their ministers. These applications are then reviewed against specific criteria and objectives which are set by the Governors, in accordance with the objects of the Society.
- b. In addition to the above, a further purpose is caring for and supporting children in need whether material, physical, mental, emotional and spiritual and promoting their material, physical, mental, emotional and spiritual development whether through their families, Church or community or otherwise howsoever that they may grow to full maturity as individuals and members of society. The benefit that flows from this purpose is that the well-being of families and their children is enhanced by schemes which are financially supported by the Society. The Society's funding provides opportunities for children and their families to develop materially, physically, mentally, emotionally, and spiritually.

Objective, Performance and Achievements

The 2021 objectives included the following:

- supporting over 890 Presbyterian children and young people by way of quarterly and special grants;
- increasing the quarterly grants by at least the inflation rate;
- supporting Presbyterian children and young people by way of exceptional grants;
- supporting designated Child Contact Centres, run through Presbyterian Congregations.

There was a substantial level of attainment in relation to major objectives during the year to 31 December 2021.

During 2021 the number of young people being helped by the Society remained in line with 2020 levels. At 1 January 2021 the number was 902 and at 31 December 2021 it was 892.

THE PRESBYTERIAN CHILDREN'S SOCIETY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	No.	No.
Young people on roll at 1 January	862	878
Added during the year	96	64
Coming off during the year	93	80
	<hr/>	<hr/>
Young people on roll at 31 December	865	862
Young people awaiting selection	27	40
	<hr/>	<hr/>
Total young people being helped	892	902

The backgrounds of young people on the roll as at 31 December were as follows:

	2021		2020	
	No.	%	No.	%
Parents Separated/ Divorced	346	40	361	42
Parent(s) Deceased	183	21	175	20
Single Mothers	113	13	111	13
Parent(s) Disabled/ Chronically ill	87	10	93	11
Parent(s) Unemployed/ Low Income	112	13	100	12
Other	24	3	22	2
	<hr/>		<hr/>	
Total	865	100	862	100

The Governors continue to be encouraged by the Society's progress during the second year of the global pandemic. Furthermore, they have been heartened by the relentless and inspiring commitment of Presbyterian congregations and individuals who have consistently supported the Society in these uncertain times. This commitment has guaranteed a sustained level of income to the Society to meet the needs of many Presbyterian families in financial need. In addition to the ongoing work of supporting Presbyterian children and young people, the Society has continued to develop projects which provide relevant practical Christian care to enable Presbyterian children and young people reach their full potential in life.

THE PRESBYTERIAN CHILDREN'S SOCIETY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The net income/expenditure for the year amounted to £3,893. Comparatively in 2020 this was (£100,346).

The income for the year amounted to £884,376 (2020 - £934,564).

Grant expenditure to individuals increased by 2.8% to £675,863 (2020 - £657,733).

In 2021 bequests totalled £52,944 (2020 - £112,752).

The Governors have been encouraged in the economic climate by the level of subscriptions of £333,882 (2020 - £342,369). These subscriptions, together with dividends, interest, and income from other sources, have ensured that the Society remains in a satisfactory financial position to carry out its charitable activities.

Investment management fees increased by 14.6% to £61,479 (2020 - £53,631), governance costs increased by 12.0% to £129,779 (2020 - £115,876) and fundraising costs increased marginally to £6,954 (2020 - £6,678). Fundraising costs account for only 2.1% of subscription income (2020 - 2.0%).

Investment Policy

Having completed a competitive process during 2020, the Society formally appointed Sarasin & Partners LLP as their investment managers in April 2021. Sarasin were instructed to pursue a policy of maximising income whilst maintaining some capital growth. This policy is currently performed in accordance with the Society's ethical guidelines which states that there should be no direct investment in any company with a significant interest in alcohol, tobacco, gambling, indiscriminate weaponry or conventional weapons, pornography, or exploitative child labour. The Society's preference is for nil investment in any companies in the above sectors, but the size and complex nature of corporations means they may have unintended exposures to certain sectors. This may be a negligible part of their overall business, or they may be in the process of disposing of these operations. Therefore, the use of the significant interest criteria allows for these practical considerations. The parameters for equity investment uses a definition of significant interest as companies that derive up to approximately 10% of turnover from the above list.

Reserves Policy

It is the policy of the Society to maintain unrestricted funds which are free reserves of the Society, at a level which equates to approximately one year's unrestricted expenditure. This provides sufficient funds to cover management and administration costs and respond to emergency applications for grants which arise from time to time.

Risk Management

The Governors have examined and assessed the major risks to which the Society is exposed, in particular, those related to the operations and finances of the Society and are satisfied that adequate systems are in place to mitigate any exposure to major risks. There is a formal risk assessment and documentation of process.

Going Concern

The Governors believe that there are no material uncertainties that cast significant doubt about the Society's ability to continue as a going concern and the financial statements have been prepared on this basis.

THE PRESBYTERIAN CHILDREN'S SOCIETY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Administrative details and Governors

Please refer to the legal and administrative information page for administrative details and a list of Governors.

Structure, Governance and Management

Governing document

The Presbyterian Children's Society is registered as a charity with the Charity Commission for Northern Ireland (Registered Charity Number: NIC101444). The Society is governed by Scheme No. 58 under the Education Endowments (Ireland) Act 1885.

Organisation

A Board of Governors of 14 members has overall responsibility for the charity. Meeting bi-annually, the Board possess the authority to administer the charity and manage its day-to-day operations. However, daily management of the charity has been delegated to the Executive Secretary who is directly responsible and accountable to the board.

Appointment of Governors

There is an informal structure for appointment and training of Governors. In determining the appropriateness of appointing a new Governor the charity considers the skills and willingness to serve of that individual.

Pay policy for Governors and staff

All Governors give their time freely and did not receive remuneration during the year. The pay of senior staff is reviewed annually.

Related parties

None of our Governors receive remuneration or any other benefit from their work with the charity. There were no related party transactions during the year.

Plans for future periods

Plans for the adoption of a new strategic plan are underway.

The Society's work continues to be overseen by the Board and regular liaison in terms of strategic direction, and any matters critical to the Society's essential work, takes place between the Executive Secretary and the Honorary Officers appointed by the Board.

THE PRESBYTERIAN CHILDREN'S SOCIETY

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

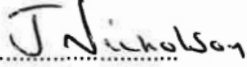
Disclosure of information to the auditors

So far as each person who was a Governor at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Each Governor has taken all steps that he/she is obliged to take as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Harbinson Mulholland have expressed their willingness to continue in office as auditors. A resolution proposing their reappointment will be considered at the Society's Annual General Meeting.

The Governors' report was approved by the Board of Governors.


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Mr J G Nicholson BA (Hons)
Executive Secretary
Dated: 27-04-2022

THE PRESBYTERIAN CHILDREN'S SOCIETY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

Governors are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Society and of the net movements in funds of the Society for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Society will continue in business.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Charities Act (Northern Ireland) 2008 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the 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) — (Charities SORP (FRS 102)). They are also responsible for safeguarding the assets of the Society and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.



.....
Mr W N Bennett BSc (Econ) Hons, IPFA

Honorary Treasurer

Dated: 29-4-22

THE PRESBYTERIAN CHILDREN'S SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF THE PRESBYTERIAN CHILDREN'S SOCIETY

Opinion

We have audited the financial statements of The Presbyterian Children's Society (the 'Society') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (NI) 2008.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon, The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE PRESBYTERIAN CHILDREN'S SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PRESBYTERIAN CHILDREN'S SOCIETY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Governors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE PRESBYTERIAN CHILDREN'S SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PRESBYTERIAN CHILDREN'S SOCIETY

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and/or senior management, and from our commercial knowledge and experience of the sector;

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Charities Act (NI) 2008, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

THE PRESBYTERIAN CHILDREN'S SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF THE PRESBYTERIAN CHILDREN'S SOCIETY

This report is made solely to the charity's members, as a body, in accordance with section 65 of the Charities Act (NI) 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Angela Craigan

Angela Craigan (Senior Statutory Auditor)
for and on behalf of Harbinson Mulholland
Chartered Accountants
Statutory Auditor

Centrepoint
24 Ormeau Avenue
Co. Antrim
Northern Ireland
BT2 8HS

29/04/2022

THE PRESBYTERIAN CHILDREN'S SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	76,091	-	76,091	117,817
Charitable activities	4	345,177	-	345,177	353,671
Investments	5	462,506	602	463,108	463,076
Total income and endowments		883,774	602	884,376	934,564
Expenditure on:					
Raising funds	6	68,433	-	68,433	60,309
Charitable activities	7	812,050	-	812,050	773,908
Total resources expended		880,483	-	880,483	834,217
Net gains/(losses) on investments	11	996,822	-	996,822	(239,257)
Net movement in funds		1,000,113	602	1,000,715	(138,910)
Fund balances at 1 January 2021		12,352,716	21,435	12,374,151	12,513,062
Fund balances at 31 December 2021		13,352,829	22,037	13,374,866	12,374,152

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 14 to 22 form part of these financial statements.

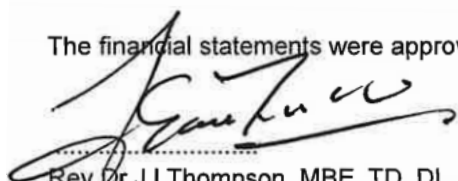
THE PRESBYTERIAN CHILDREN'S SOCIETY

BALANCE SHEET

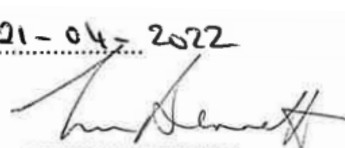
AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		17,171		15,361
Investments	13		13,178,866		11,724,041
			<u>13,196,037</u>		<u>11,739,402</u>
Current assets					
Debtors	14	7,519		6,880	
Cash at bank and in hand		193,352		644,553	
			<u>200,871</u>		<u>651,433</u>
Creditors: amounts falling due within one year	15	(22,042)		(16,683)	
Net current assets			<u>178,829</u>		<u>634,750</u>
Total assets less current liabilities			<u><u>13,374,866</u></u>		<u><u>12,374,152</u></u>
Capital funds					
Endowment funds			22,037		21,436
Income funds					
Unrestricted funds		13,350,552		12,350,439	
Revaluation reserve		2,277		2,277	
			<u>13,352,829</u>		<u>12,352,716</u>
			<u><u>13,374,866</u></u>		<u><u>12,374,152</u></u>

The financial statements were approved by the Governors on 21-04-2022



Rev Dr J I Thompson, MBE, TD, DL, BSc, BD, MTh, DMin
President



Mr W N Bennett BSc (Econ) Hons, IPFA
Honorary Treasurer

The notes on pages 14 to 22 form part of these financial statements.

THE PRESBYTERIAN CHILDREN'S SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(453,135)		(377,001)
Investing activities					
Purchase of tangible fixed assets		(3,171)		(5,339)	
Purchase of investments		(12,463,978)		(1,157,624)	
Proceeds on disposal of investments		12,144,530		1,312,014	
Gains/(losses) on investments		(138,555)		(167,428)	
Interest received		463,108		463,076	
Net cash generated from investing activities			1,934		444,699
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(451,201)		67,698
Cash and cash equivalents at beginning of year			644,553		576,855
Cash and cash equivalents at end of year			193,352		644,553

The notes on pages 14 to 22 form part of these financial statements.

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Presbyterian Children's Society is a charity registered in Northern Ireland. The registered office is Glengall Exchange, 3 Glengall Street, Belfast, BT12 5AB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Society's Constitution, the Charities Act (Northern Ireland) 2008 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Society is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes. In addition to expenditure on orphans and children, such funds may be held in order to finance capital investment and working capital.

Designated funds are amounts set aside from unrestricted funds which have been 'earmarked' for particular purposes.

Endowment funds are funds given to the charity which must be held permanently by the charity, mainly as investments. Income arising on the endowment fund may be used in accordance with the objects of the endowment. Any capital gains or losses arising on the investments form part of the fund.

1.4 Income

Income is recognised when the Society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Society has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under activity headings. Where costs cannot be directly attributed to particular headings they have all been allocated to activities on a basis consistent with the use of the resources. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment	25% Reducing Balance or 20% Straight Line
Computer Equipment	50% Reducing Balance or 20% Straight Line
Ground Rents	0%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Society's balance sheet when the Society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Society is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Total
	2021 £	2020 £
Donations and gifts	23,147	5,065
Legacies receivable	52,944	112,752
	<u>76,091</u>	<u>117,817</u>

4 Charitable activities

	2021 £	2020 £
Subscriptions	333,882	342,369
Estate of James Bell	19	19
Francis Curley Charitable Fund	10,327	9,846
Presbyterian Fire Insurance Trust	129	147
Rents	820	1,290
	<u>345,177</u>	<u>353,671</u>

5 Investments

	Unrestricted funds	Endowment funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Income from listed investments	462,398	602	463,000	463,000
Interest receivable	108	-	108	76
	<u>462,506</u>	<u>602</u>	<u>463,108</u>	<u>463,076</u>
For the year ended 31 December 2020	<u>462,488</u>	<u>588</u>	<u>463,076</u>	<u>463,076</u>

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Raising funds

	Unrestricted funds	Total
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Literature design	3,080	3,260
Literature printing	3,874	3,418
	<u>6,954</u>	<u>6,678</u>
<u>Investment management</u>	61,479	53,631
	<u>68,433</u>	<u>60,309</u>

7 Charitable activities

	2021 £	2020 £
Staff costs	86,111	85,926
Depreciation and impairment	1,360	1,386
Quarterly regular grants	437,283	436,429
Interim grants	16,760	12,474
Summer/Winter bonus	159,520	142,400
Exceptional grants	62,300	66,430
Small groups grant scheme	6,407	300
	<u>769,741</u>	<u>745,345</u>
Share of support costs (see note 8)	39,909	26,163
Share of governance costs (see note 8)	2,400	2,400
	<u>812,050</u>	<u>773,908</u>

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Office rent	11,993	-	11,993	10,909
Currency loss	3,403	-	3,403	(2,076)
Printing and stationery	1,424	-	1,424	2,235
Postage	4,713	-	4,713	5,711
Telephone	2,467	-	2,467	2,194
Insurance	1,055	-	1,055	938
Miscellaneous office expenses	14,854	-	14,854	6,252
Audit fees	-	2,400	2,400	2,400
	<u>39,909</u>	<u>2,400</u>	<u>42,309</u>	<u>28,563</u>
Analysed between				
Charitable activities	<u>39,909</u>	<u>2,400</u>	<u>42,309</u>	<u>28,563</u>

9 Governors

None of the Governors (or any persons connected with them) received any remuneration or benefits from the Society during the year.

10 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	4	4
	<u>4</u>	<u>4</u>
Employment costs	2021	2020
	£	£
Wages and salaries	66,682	66,335
Social security costs	12,244	12,223
Other pension costs	7,185	7,368
	<u>86,111</u>	<u>85,926</u>

There were no employees whose annual remuneration was more than £60,000.

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Net gains/(losses) on investments

	Unrestricted funds	Total
	2021 £	2020 £
Revaluation of investments	996,822	(239,257)

12 Tangible fixed assets

	Office Equipment £	Computer Equipment £	Ground Rents £	Total £
Cost				
At 1 January 2021	13,303	14,120	21,908	49,331
Additions	640	2,531	-	3,171
At 31 December 2021	13,943	16,651	21,908	52,502
Depreciation and impairment				
At 1 January 2021	11,450	10,112	12,408	33,970
Depreciation charged in the year	444	917	-	1,361
At 31 December 2021	11,894	11,029	12,408	35,331
Carrying amount				
At 31 December 2021	2,049	5,622	9,500	17,171
At 31 December 2020	1,853	4,008	9,500	15,361

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	11,724,041
Additions	12,463,979
Realised gains	2,436,091
Unrealised gains	(1,300,715)
Disposals	(12,144,530)
At 31 December 2021	13,178,866
Carrying amount	
At 31 December 2021	13,178,866
At 31 December 2020	11,724,041

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	6,769	4,968
Prepayments and accrued income	750	1,912
	<u>7,519</u>	<u>6,880</u>

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other creditors	43	38
Accruals and deferred income	21,999	16,645
	<u>22,042</u>	<u>16,683</u>

16 Retirement benefit schemes

Defined contribution schemes

The Society operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Society in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £7,185 (2020 - £7,368).

17 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Fund balances at 31 December 2021 are represented by:				
Tangible assets	17,171	-	17,171	15,361
Investments	13,156,829	22,037	13,178,866	11,724,041
Current assets/(liabilities)	178,829	-	178,829	634,750
	<u>13,352,829</u>	<u>22,037</u>	<u>13,374,866</u>	<u>12,374,152</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

THE PRESBYTERIAN CHILDREN'S SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	1,000,715	(138,910)
Adjustments for:		
Investment income recognised in statement of financial activities	(463,108)	(463,076)
Fair value gains and losses on investments	(996,822)	239,257
Depreciation and impairment of tangible fixed assets	1,360	1,386
Movements in working capital:		
Decrease/(increase) in debtors	(639)	(2,870)
(Decrease)/increase in creditors	5,359	(12,788)
Cash absorbed by operations	<u>(453,135)</u>	<u>(377,001)</u>

THE PRESBYTERIAN CHILDREN'S SOCIETY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

This page does not form part of the statutory financial statements which are the subject of the independent auditor's report.

	2021	2020
	£	£
Revenue Income		
Subscriptions	333,882	342,369
Dividends and Interest	463,000	463,000
Charitable rental income	820	1,290
Bank Interest	108	76
Estate Of James Bell	19	19
Francis Curley Charitable Fund	10,327	9,846
Pres. Fire Insurance Trust	129	147
	<u>808,285</u>	<u>816,747</u>
Legacies and donations		
Legacies receivable	52,944	112,752
Donations and gifts	23,147	5,065
	<u>76,091</u>	<u>117,817</u>
Total Revenue Income	<u>884,376</u>	<u>934,564</u>
Revenue Expenditure		
Quarterly regular grants	437,283	436,429
Interim grants	16,760	12,474
Summer/Winter Bonus	159,520	142,400
Exceptional grants	62,300	66,430
Staff costs	86,111	85,927
Miscellaneous office expenses	14,854	6,252
Office rent	11,993	10,909
Printing and stationery	1,424	2,235
Fundraising	6,954	6,678
Audit fees	2,400	2,400
Postage	4,713	5,711
Telephone	2,467	2,194
Insurance	1,055	938
Investment management	61,479	53,631
Depreciation and impairment	1,360	1,386
Small groups grant scheme	6,407	300
Currency loss	3,403	(2,076)
	<u>880,483</u>	<u>834,218</u>
Total Revenue Expenditure	<u>880,483</u>	<u>834,218</u>
Net incoming/(outgoing) resources for the year	<u><u>3,893</u></u>	<u><u>100,346</u></u>