

**THE ARCHBISHOP OF CANTERBURY'S
CHARITABLE FOUNDATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

Registered Charity Number 1139299

Registered Company Number 7453039

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

INDEX	Page
Trustees' Report	1-7
Independent Examiner's Report	8
Balance Sheet	9
Statement of Financial Activities	10
Notes to the Financial Statements	11-20

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

On 1 January 2012, The Archbishop of Canterbury's Charitable Foundation was formed as a result of the transfer of the net assets and operations of The Archbishop of Canterbury's Charitable Trust; The Davidson Bequest Trust; The Holiday Camps & Caravan Sites Mission and The Delmar Trust. In 2019 it was gifted the net assets of the Archbishop of Canterbury's Discretionary Fund.

The Foundation is controlled by its Memorandum and Articles of Association. It was incorporated on 26th November 2012 (Company Number 7453039) and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006, and is also registered as a charity (Charity Number 1139299).

The Trustees are pleased to present their annual report and the financial statements for the year ended 31 December 2020. The Trustees have adopted the provisions of the Charities SORP (FRS102) in preparing the annual report and financial statements. The latter also complies with the charity's governing document.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number 7453039

Registered Charity Number 1139299

**Principal and
Registered Office** 1 The Sanctuary
Westminster
London SW1P 3JT

Trustees The Most Rev. the Lord Archbishop of Canterbury Justin Welby
Mr Andrew Britton
Mrs Sandra De Lord
Rosalind Morag Ellis QC (appointed 8th June 2020)
The Rt. Worshipful Charles George QC (retired 8th June 2020)
The Revd. Isabelle Hamley (retired 22 January 2021)
Canon David Porter

Secretary H.J. Dellar

Bankers National Westminster Bank plc
Argyll House, 246-250 Regent Street
London
W1B 3BN

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

Independent Examiner George Crowther ACA
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Investment Advisors CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London EC4V 4ET

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, MANAGEMENT AND OBJECTIVES

The first Trustees after incorporation were the pre-existing Trustees of The Archbishop of Canterbury's Charitable Trust; The Davidson Bequest Trust; The Holiday Camps & Caravan Sites Mission and The Delmar Trust.

New Trustees are appointed by the Archbishop of Canterbury based on recommendations made by existing Trustees. When a new member joins the Board of Trustees they are provided with further information regarding finances, governance and charitable objectives.

The Trustees meet as required. In the year three of them were based at Lambeth Palace but since the year end one of those Trustees has retired so that at the date of signing these accounts only two Trustees are based at Lambeth. The Trustees agree the strategy of the Foundation, including consideration of grants, investments, reserves and risk management policies and performance.

The day to day running of the Foundation is in the hands of the Finance Officer at Lambeth Palace.

RISK REVIEW

The Trustees are responsible for the management of the risks faced by the Charity and conduct an annual risk assessment. This involves the identification of risks and agreeing any necessary actions to manage or mitigate them. The Trustees have carefully considered the key risks to the Foundation and its future plans including those arising from the worldwide Coronavirus pandemic which began to impact significantly in the UK, both socially and economically, early in the year of review and continues to have repercussions following this financial year end.

Key risks to the Foundation are:

- Loss of financial sustainability due to market volatility affecting the investment base of the charity and reducing the ability to fund the desired level of grant making programme. This is particularly significant when considering the impact of the Coronavirus pandemic on financial markets worldwide and the changes in demand for funding from the Foundation that have been seen in the year of review and are anticipated in 2021 and beyond.

To mitigate against this risk as far as is possible, given that stock market movements are beyond the control of the Trustees, they utilise specialist charity investment managers who manage the investment portfolio on a day to day basis on the Foundation's behalf. The fund managers regularly meet with the Trustees to discuss market trends, portfolio diversity and risk profiling, ethical investment considerations and performance against industry benchmarks and have been reporting regularly to the Trustees on the performance of the Foundation's portfolio during 2020, taking account of the impact of the Coronavirus pandemic.

The Trustees have a low appetite for risk, and this is reflected in the investment portfolio held which is highly risk averse and focuses on maintaining regular income streams, together with long term portfolio sustainability. The Trustees have gained assurance from the strong performance of the investment portfolio through a period of high overall stock market volatility during 2020. The investments have continued to perform well since the year end and at the date of signing these accounts have further increased in value.

The Foundation also benefits from a low cost-base, given that it has no staff costs and minimal and predictable overheads. Moreover, its grant making programme is discretionary which means the Trustees are in a strong position to direct grant making to where it is needed most in a time of crisis. The investment portfolio is highly liquid allowing the Trustees to react quickly to requests by realising investments whenever necessary. Having taken advice from their investment advisers the Trustees are satisfied that they have strong reserves and will maintain stable investment returns, minimising the risk that financial constraints would limit anticipated grant making in the year ahead.

- Grant recipients misuse funds received.

To mitigate against this risk the grant applicants are subject to careful review before being awarded funding and are required to report back on the use of their funds. Reports on activity undertaken and outcomes achieved by grant recipients are considered in updates provided at each Trustee board meeting.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

RISK REVIEW (continued)

Other key operational controls in place include:

- formal agendas and regular meetings between the Trustees and administrative staff acting for the Foundation;
- forward planning and budgeting, with regular management accounts and quarterly reviews of finances, investment performance and grant programming;
- internal controls over the movement of funds and investments.

The Trustees are satisfied that these arrangements enable the major risks to be identified and appropriate steps taken for their mitigation, although it is recognised that systems can only provide reasonable, not absolute, assurance in this regard.

OBJECTS

The objects of the Charity as per its Articles of Association are:

- 1) to advance the Christian religion
- 2) to advance Christian education and in particular to promote education in the faith and practices of the Church of England
- 3) to promote the religious and other charitable work of the Church anywhere in the world including through:
 - a) Relief of poverty and sickness
 - b) Training for the Ministry
 - c) Support to ministers and families
 - d) Provision of facilities for public worship
- 4) to make grants, provide goods, services and facilities for the charitable purposes not inconsistent with objects (1) to (3) as the Trustees may decide from time to time, provided such charitable purposes are within the meaning of the Charities Acts.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit in determining the activities undertaken by the Charity. The Charity has and continues to demonstrate a number of areas of public benefit within its core charitable objective of the advancement of the Christian religion, Christian education and relief of poverty by awarding grants as detailed in note 4 to the financial statements.

GRANT MAKING POLICY

The Foundation receives a number of enquiries for grants which are dealt with initially by the Finance Officer at Lambeth Palace. If the enquiry meets the grant criterion, the request is put to the Trustees who will then consider and approve those grant requests which meet the objectives of the Foundation.

AMALGAMATION OF FUNDS

In order to more efficiently manage and administer the endowed and restricted funds of the charity, the Trustees took the decision at their AGM in May 2019 to remove any capital restrictions relating to these funds and to use the powers granted to the Trustees (and after obtaining consent from the Charity Commission where required, and for the Holiday Camps and Caravans Fund obtaining permission from His Grace the Archbishop of Canterbury) in order to release all the endowed and restricted funds to the general fund of the Foundation. The impact of this amalgamation of funds is reflected in the comparative figures to the current year of review. The aggregated general funds are used to fulfil the charitable objects of the Foundation as the Trustees decide.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

YEAR ENDED 31 DECEMBER 2020

RESERVES POLICY AND ASSET COVER FOR FUNDS

The Charity's reserves and the element of them comprised by fixed asset investments at 31 December 2020 are summarised below. Full details are set out in note 8.

	Other Reserves £	Fixed Asset Investments £	Total Reserves £
Unrestricted Funds	260,328	4,048,785	4,309,113
31 December 2020	260,328	4,048,785	4,309,113
31 December 2019	329,469	3,795,799	4,125,268

The Trustees have absolute discretion as to when investments can and should be realised to support their grant making programme.

All of the funds at the balance sheet are now unrestricted following the amalgamation of funds undertaken in 2019. Funds held in fixed asset investments are considered necessary in order to produce sufficient income so that the Foundation can continue its grant making programme to meet the Charity's obligations on a fund by fund basis. Funds are also maintained at a level sufficient to manage stock market volatility by taking a total return view of the investment portfolio over the medium to longer term. The administrative expenditure of the Foundation is minimal and predictable given that administrative support is provided by Lambeth Palace and the Foundation employs no staff of its own.

The Coronavirus pandemic within the UK and the wider world has had a significant impact at both economic and societal levels during 2020 and resulted in long periods of 'lockdown', with limitations on activity and travel impacting a number of programmes which the Foundation had planned to fund in 2020. In some cases, programme funding has been postponed until activity can resume, in which case these grants have been provided for in the accounts and are reflected in year end creditors. In other cases, funding is no longer required, so overall activity has been less than was anticipated at the outset of this year of review. The Trustees are however planning for an increase in grant making in 2021 as continuing and new programmes of work open up to reflect current need. Investments will be realised as appropriate to fund this anticipated demand. The Trustees are satisfied that the Foundation has sufficient reserves to meet ongoing regular payments where they remain relevant and to consider other grant requests as and when they arise, provided they fulfil the Charity's key objectives.

As the investment portfolio is held only in unrestricted funds it is considered more important to have a flexible approach to funding worthwhile causes than to maintaining reserves at a specific level at any given time. The free reserves of £260,328 (2019: £329,469), excluding fixed asset investments, are more than sufficient to meet anticipated spending given that investments can be realised at any time to augment this when considered desirable. The current level of reserves is considered adequate and appropriate for the Foundation's needs.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

INVESTMENT POLICY AND POWERS

The Trustees are authorised to invest in any investment (whether authorised by statute for trust monies or not) as if they were absolutely and beneficially entitled.

The Foundation holds 100% of its investments in a managed fund, the CBF Church of England Fund, managed by CCLA Investment Management Ltd and set up by the Church Funds Investment Measure 1958.

The investments are held with a view to providing a reasonable total return for the Foundation in the medium term, whilst allowing for an averaging of interim fluctuations and volatility of the markets in the shorter term. The investments performed well in 2020 as reflected in the unrealised gains on investments held in the year of £252,986.

The Trustees are satisfied that by adopting a risk averse approach to investment and by taking a medium to longer term view on the total return of the investment portfolio, its investment base, together with the income generated from it, will remain sufficient to support the future activities of the Foundation. Given this, the investments have exceeded expectations in retained value in the year to 31 December 2020 and have continued to perform well post year end.

CCLA works with the Church's Ethical Investment Advisory Group and fully reflect their ethical policies in the Foundation's investment holdings.

ACHIEVEMENTS AND PERFORMANCE

The Foundation's principal funding source is the income generated from its investment portfolio, together with a limited amount of royalty income. The Trustees are mindful that there is a balance to be had between realising investments to fund grant payments and maintaining a level of investment that will generate sufficient future income to meet regular anticipated grant commitments.

During the year a total of 36 grants totalling £253,559 were made by the Foundation which met the Foundation's grant criteria, as detailed in note 4 to the financial statements. Of these, 15 grants totalling £159,764 were made to advance the Christian Religion; 10 grants totalling £35,335 to advance Christian Education; 9 grants totalling £56,460 to promote the religious and other charitable work of the Church; and 2 grants totalling £2,000 for charitable purposes under Object 4.

A number of these smaller grants are committed to annually where a recipient is considered deserving of funding over several years. In addition, the Trustees also commit large one-off grants where they believe that this delivers significant public benefit in advancing the Christian religion, Christian education or the relief of poverty.

Whilst the number and quantum of grants made is lower than in the previous year, this is a reflection of the reduction in programmed activities in 2020 as a result of the stringent 'lockdown' conditions for much of the year in both the UK and overseas. The Trustees are satisfied that they have continued to allocate grants consistent with their key objectives and which deliver significant public benefit. Given the level of unrestricted reserves available to the Foundation at the year end, the Charity is well placed to continue delivering its mission in future years and to meet the increased demand for funding anticipated in 2021 as the pandemic begins to wane and new and increased charitable giving opportunities develop.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

RELATED PARTY TRANSACTIONS

The majority of Trustees on the Foundation's board are connected to the Archbishop of Canterbury through their roles as senior members of the Archbishop's staff or by their association with other organisations established to support the work of the Church of England.

Both the Archbishop of Canterbury's Charitable Foundation and the Archbishop's Council share common aims to promote the Christian faith. The Archbishop's Council is a charity, set up in law to co-ordinate, promote, aid and further the work and mission of the Church of England. It has responsibilities regarding the Synodical governance and business of the Church of England. The Archbishop of Canterbury is Joint President of the Archbishop's Council (along with the Archbishop of York) by virtue of his Office, but there are no other Trustees in common with the Archbishop's Charitable Foundation.

In making grants to the Archbishop's Council for specific purposes, the Trustees of the Foundation are satisfied that this clearly supports its primary objective to promote the Christian faith and to strengthen the ministry of the Church by ensuring that key areas of work and ministry are supported financially to maximise their impact.

A grant of £2,030 was made to the Community of St Anselm. The Community of St Anselm was founded by the Archbishop of Canterbury in 2015 at Lambeth Palace. Its aim is to enable young people to experience a year of living in a modern monastic community, which promotes Christian education, faith and charitable community service. It operates as a separate legal entity and registered charity. The Archbishop is the Abbot of the community, but he receives no remuneration or benefits in kind for the role and he does not sit on the board of trustees. There are no trustees in common with the Archbishop of Canterbury's Charitable Foundation.

A number of grants were made in 2019 by the Archbishop of Canterbury's Charitable Foundation to the Church Commissioners to support areas of ministry in which the Archbishop of Canterbury is involved. Both the Archbishop of Canterbury's Charitable Foundation and the Church Commissioners share common aims to promote the Christian Faith.

The Church Commissioners are a statutory organisation and a charity registered in law to promote the mission and ministry of the Church of England. The Church Commissioners are responsible for resourcing Church of England bishops and archbishops in their ministry. The Archbishop of Canterbury is Chair of the Board of Governors by virtue of his Office and Rosalind Morag Ellis QC is also a Church Commissioner. There are no other Trustees in common with the Archbishop of Canterbury's Charitable Foundation.

In making grants to the Church Commissioners for specific purposes, the Trustees of the Foundation are satisfied that they are promoting the Christian faith by resourcing and strengthening the ministry of the Church of England.

FINANCIAL REVIEW

The income of the Foundation has been distributed in accordance with the terms and objects of the Charity during the financial year.

The Trustees consider that the Charitable Fund's affairs were satisfactory during the course of, and at the end of the year.

The Trustees are confident that sufficient funds will be available to meet the future needs of the Charity.

The Statement of Financial Activities for the year ended 31 December 2020 is set out on page 10 and shows total net incoming resources for the year of £183,845 (2019: £525,684).

The Trustees are satisfied with the net financial position as at 31 December 2020 of £4,309,113 (2019: £4,125,268).

The charity does not engage external fundraising services and no complaints were received in respect of its fundraising activities.

GOING CONCERN

In light of the potential increase in grant spending that may arise in the next few years as the world learns how to work and operate under continuing but increasingly less restrictive conditions imposed by Coronavirus, the Trustees are satisfied that the Foundation has sufficient reserves to maintain budgeted spending levels and the flexibility to increase grant spending where desired by utilising its liquid investment base and strong cash reserves. The Foundation is a going concern and will remain so for the foreseeable future.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

PLANS FOR THE FUTURE

For the foreseeable future the Trustees are committed to continuing a regular grant making programme where such programmes continue to merit funding, but at the same time remain flexible and open to making further specific donations where there is a need and provided the grant will support significant public benefit and charitable value that outweighs any potential depletion in the investment base of the Foundation.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of the charitable company, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the directors 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 profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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.

Signed on behalf of the Trustees on 21st May 2021

Trustee



David W Porter

Trustee



Sandra De Lord

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

I report to the charity trustees on my examination of the accounts of The Archbishop of Canterbury's Charitable Foundation for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



George Crowther, ACA
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Date: 21 May 2021

BALANCE SHEET

COMPANY NUMBER 7453039

		2020	2019
	Notes	£	£
FIXED ASSETS			
Investments	6	4,048,785	3,795,799
CURRENT ASSETS			
Cash at Bank		332,678	486,588
Debtors		5,000	-
		<u>337,678</u>	<u>486,588</u>
LIABILITIES			
Creditors: Amounts falling due within one year	7	(77,350)	(157,119)
NET CURRENT ASSETS		<u>260,328</u>	<u>329,469</u>
TOTAL NET ASSETS		<u>£4,309,113</u>	<u>£4,125,268</u>
FUNDS	8,9		
Unrestricted funds			
General		2,249,683	2,065,838
Designated		2,059,430	2,059,430
		<u>4,309,113</u>	<u>4,125,268</u>
TOTAL CHARITY FUNDS		<u>£4,309,113</u>	<u>£4,125,268</u>

The financial statements were approved and authorised for issue by the Board of the Trustees, and signed below on its behalf on 21st May 2021 by:

D. O. Parker

David W Porter

Trustee

Janet De Kort

Sandra De Lord

Trustee

The notes on pages 11 to 20 form an integral part of these financial statements

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	General Unrestricted Fund £	Unrestricted Designated Fund £	Totals 2020 £	Totals 2019 £
Income from:					
<i>Donations & Legacies</i>					
Donations received	3	122,937	-	122,937	312,279
<i>Other trading activities</i>					
Royalties		3,716	-	3,716	27,872
<i>Investments</i>					
Interest received		642	-	642	1,046
Income from assets		113,642	-	113,642	118,133
Total		240,937	-	240,937	459,330
Expenditure on:					
Charitable activities	4	310,078	-	310,078	566,821
Total		310,078	-	310,078	566,821
Realised gains on investments		-	-	-	35,046
Unrealised gains on investments		252,986	-	252,986	598,129
Net gains on investments		252,986	-	252,986	633,175
Net Income		183,845	-	183,845	525,684
Transfer between Funds		-	-	-	-
Net movement in funds	9	183,845	-	183,845	525,684
Reconciliation of funds:					
Income funds b/f		2,065,838	-	2,065,838	1,649,718
Capital funds b/f		-	2,059,430	2,059,430	1,949,866
Funds carried forward		£2,249,683	£2,059,430	£4,309,113	£4,125,268

All transactions are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The comparative figures for the comparative period have been presented under SORP (FRS102) in Note 11.

The notes on pages 11 to 20 form part of these financial statements.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of Accounting

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) – (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Archbishop of Canterbury's Charitable Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

In light of the available reserves, highly liquid investment portfolio and stable investment returns, as detailed elsewhere in these accounts, the Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Judgements and estimates

Judgements made by the Trustees in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the valuation of investments and are discussed below.

Income Recognition

Income represents investment income, grants & donations and other sundry income. All income is recognised once the charity has entitlement to income; it is probable that income will be received; and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Charitable Activities

Direct charitable expenditure represents grants for the furtherance of the objects of the charity. Grants are recognised in the accounts when awarded by the Trustees and the offers are conveyed to the recipients. The grants are awarded at the discretion of the Trustees within the objects of the charity.

Governance Costs

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. Governance costs are now apportioned to the charitable activities.

Investments

Investments are included in the financial statements at market value at the balance sheet date. Realised and unrealised gains and losses on revaluation and disposals occurring in the year are reported in the Statement of Financial Activities.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (purchase date if later).

Funds

General Unrestricted Funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Unrestricted Designated Funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Legal Status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. TAXATION

As a registered charity, the Foundation is potentially exempt from taxation on its income and gains falling within s505 Income & Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charge has arisen in the year.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

3. DONATIONS RECEIVED	2020	2019
	£	£
Transfer from The Archbishop of Canterbury's Discretionary Fund	-	187,777
Other Donations	122,937	124,502
	-----	-----
Total Donations	£122,937	£312,279
	-----	-----

4. GRANTS

The Foundation does not run any charitable project of its own. Instead, it supports a number of charities which are actively engaged in furtherance of objects similar to those of the Foundation by grant funding. A detailed analysis of these grants, the recipient charities and the causes that were funded during the year is included below:

	Unrestricted
	£
To advance the Christian religion (Object 1)	159,764
To advance Christian education (Object 2)	35,335
To promote the religious & other charitable work of the Church (Object 3)	56,460
Charitable Purposes (Object 4)	2,000

Total grants	253,559
Support& Governance costs (Note 5)	56,519

	£310,078
	=====

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

4. GRANTS (continued)

The following charitable institutions were supported by the above grants:

		2020 £			2020 £
<i>To advance the Christian religion (Obj.1)</i>			<i>To advance Christian education (Obj. 2)</i>		
The Archbishop's Council	1	10,000	Near Neighbours	1	12,000
CheminNeuf Community	1	41,400	Religion Media Centre	1	10,000
The Lambeth Conference	1	10,000	Archbishop of Central Africa	1	6,434
The Bishop of Ebsfleet	1	7,490	Grants under £5,000	7	6,901
Church Pastoral Aid Society	1	7,000			
Thy Kingdom Come	1	10,000	Total	10	£35,335
Southwark Eco Church	1	30,000			
Coventry Diocese	1	20,000			
Ministry in Sub Saharan Africa	4	20,090			
			<i>To promote the religious and other charitable work of the Church (Obj.3)</i>		
Grants Under Grants Under £5,000	3	3,784	The Archbishop's Council	2	20,000
			Feeding Britain	1	15,000
Total	15	£159,764	Council of Christians & Jews	1	10,000
			Grants under £5,000	5	11,460
			Total	9	£56,460
			<i>Charitable Purposes (Obj.4)</i>		
			Grants under £5,000	2	2,000
			Total	2	£2,000
			Total Grants	36	£253,559

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

4. GRANTS (continued)
COMPARATIVE 2019

	Unrestricted £	Restricted £	Endowed £	Total £
To advance the Christian religion (Object 1)	462,275	-	2,530	464,805
To advance Christian education (Object 2)	7,288	15,957	-	23,245
To promote the religious & other charitable work of the Church (Object 3)	14,330	-	-	14,330
Charitable Purposes (Object 4)	2,100	-	-	2,100
Total grants	485,993	15,957	2,530	504,480
Support & Governance costs (Note 5)	62,341	-	-	62,341
	<u>£548,334</u>	<u>£15,957</u>	<u>£2,530</u>	<u>£566,821</u>

The grants made from restricted and endowed funds in 2019 were made prior to the amalgamation of the funds into general funds during that financial year.

The following charitable institutions were supported by the above grants:

		2019 £			2019 £
<i>To advance the Christian religion (Obj. 1)</i>			<i>To advance Christian education (Obj. 2)</i>		
Church Commissioners	5	67,000	Near Neighbours (Catalyst Young Leaders Program)	1	12,000
ACC UN Representative	1	15,000			
Chemin Neuf Community	1	40,605			
Interfaith Network	2	20,665	Grants Under £5,000	12	11,245
Archbishop's Council – LLF	2	270,000			
Church Pastoral Aid Society	1	7,000			
Diocese in Europe (Apokrisarial)	1	5,000			
China Christian Council	1	5,030	Total	13	£23,245
Anglican Church in the Congo	1	12,670			
Ministry in Sub Saharan Africa	3	11,590			
			<i>To promote the religious and other charitable work of the Church (Obj. 3)</i>		
Grants Under £5,000	4	10,245	Disaster Fund Mozambique	1	8,030
			Church Commissioners	1	6,000
Total	22	£464,805	Grants under £5,000	1	300
			Total	3	14,330
			<i>Charitable Purposes (Obj. 4)</i>		
			Grants under £5,000	3	2,100
			Total	3	£2,100
			Total Grants	41	£504,480

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

5.	CHARITABLE SUPPORT COSTS		2020 £	2019 £
	Other Support costs		49,105	35,361
	Governance costs:			
	Legal Fees		1,296	12,010
	Independent Examiner's remuneration (2019: audit services)		3,390	11,220
	Auditor's remuneration - non audit services		-	900
	Accountancy fees		2,728	2,850
			<u>£56,519</u>	<u>£62,341</u>
6.	INVESTMENTS IN CHARITABLE FUNDS	Listed managed Funds £	Total 2020 £	Total 2019 £
	Market value at 1 January 2020	£3,795,799	£3,795,799	£3,912,624
	Disposal proceeds	-	-	(750,000)
	Net realised gain on disposal	-	-	35,046
	Net unrealised gain on revaluation as at 31 December 2020	252,986	252,986	598,129
		<u>£4,048,785</u>	<u>£4,048,785</u>	<u>£3,795,799</u>
	Historical cost as at 31 December 2020	<u>£1,649,380</u>	<u>£1,649,380</u>	<u>£1,649,380</u>

The Foundation's unlisted investments are holdings in the CCLA CBF Church of England Investments and Fixed Interest Securities Funds Income Shares. They are shown at their published bid market value based on the market values of the Funds' assets.

7. CREDITORS: amounts due within one year	2020 £	2019 £
Grant creditors	71,560	105,664
Accrued expenses	5,790	51,455
	<u>£77,350</u>	<u>£157,119</u>

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted/ Total Funds 2020 £	Unrestricted/ Total Funds 2019 £
Represented by:		
Investments	4,048,785	3,795,799
Current assets	337,678	486,588
Current liabilities	(77,350)	(157,119)
	<u>£4,309,113</u>	<u>£4,125,268</u>
Fund balances at 31 December 2020	<u>£4,309,113</u>	<u>£4,125,268</u>

Following the amalgamation of funds in 2019, as reported on page 3 of the Trustees' Report, all funds are unrestricted.

9. FUNDS

	Balance 1 January 2020 £	Income £	Expend. £	Transfers £	Gain on Investments £	Balance 31 December 2020 £
General Fund	2,065,838	240,937	(310,078)	-	252,986	2,249,683
Designated funds						
Capital fund	2,059,430	-	-	-	-	2,059,430
Total unrestricted funds	<u>£4,125,268</u>	<u>£240,937</u>	<u>(£310,078)</u>	<u>£-</u>	<u>£252,986</u>	<u>£4,309,113</u>

Each year a budget is drawn up of the annual commitments (grants). The Trustees aim to keep this committed expenditure within the expected income. Any other grants are paid from the accumulated unspent income.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. FUNDS (continued)
COMPARATIVE 2019

	Balance 1 January				Gain on Investments	Balance 31 December 2019
	2019 £	Income £	Expend. £	Transfers £	£	£
General Fund	106,309	437,044	(548,334)	2,007,817	63,002	2,065,838
Designated funds						
Capital fund	1,949,866	-	-	(250,000)	359,564	2,059,430
Total unrestricted funds	£2,056,175	437,044	(548,334)	£1,757,817	£422,566	£4,125,268
Restricted funds						
Michael Ramsey Chair Fund	249,662	6,464	(3,957)	(292,398)	40,229	-
Dick & Sheila Stallard Fund	9,080	100	-	(10,306)	1,126	-
Harrison Lozo Relief Fnd	207,140	1,499	-	(225,547)	16,908	-
Lambeth Ecumenical Fnd	142,447	1,163	-	(157,0912)	13,481	-
Holiday Camps & Caravans	226,512	1,811	-	(249,495)	21,172	-
Davidson Ordination Fnd	41,558	75	-	(41,633)	-	-
Samuel Gurney Fnd	2,038	-	-	(2,038)	-	-
- The Delmar Trust	392,233	6,586	(12,000)	(456,185)	6,366	-
Total restricted funds	£1,270,670	£17,698	(£15,957)	(£1,434,693)	£162,282	£-
Endowment Funds						
Archbishop Davidson Bequest	272,739	4,588	(2,530)	(323,124)	48,327	-
Total endowment funds	£272,739	£4,588	(£2,530)	(£323,124)	£48,327	£-
Total funds	£3,599,584	£459,330	(£566,821)	£-	£633,175	£4,125,268

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. FUNDS (continued)

DESIGNATED FUNDS

Capital Fund

The Unrestricted Capital fund represents those unrestricted fixed assets settled into the Foundation from The Archbishop of Canterbury's Charitable Trust, together with any movements in their values and income accumulations that the Trustees have added to the Capital Fund. The Capital Fund is designated by the Trustees for internal purposes only and is not subject to any restrictions regarding distribution. Since the 2020 financial year end the Trustees have decided to release the designated Capital Fund back to General Funds. This will be reflected as a transfer of funds in the 2021 year end accounts.

10. TRANSACTIONS WITH TRUSTEES AND THE CHARITY

Any connections between the Foundation and certain specified donors and grant recipients are explained in detail in the Trustees' Report on page 6 (Related Party Transactions). The Trustees are satisfied that the connected entities have charitable aims in common with the Foundation and that there are no conflicts of interest arising from these connections that prevent the Foundation from providing public benefit and fulfilling its charitable purposes.

There were no payments to or receipts from Trustees of the Foundation, nor have the Trustees received any remuneration or reimbursement of expenses in the current or previous year.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

11. COMPARATIVE SOFA PER FRS102 (CHARITIES SORP)

	Notes	General Unrestricted Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endow. Funds £	Totals 2019 £
Income from:						
<i>Donations & Legacies</i>						
Donations received	3	312,279	-	-	-	312,279
<i>Other trading activities</i>						
Royalties		27,872	-	-	-	27,872
<i>Investments</i>						
Interest received		860	-	186	-	1,046
Income from assets		96,033	-	17,512	4,588	118,133
Total		437,044	-	17,698	4,588	459,330
Expenditure on:						
Charitable activities	4	548,334	-	15,957	2,530	566,821
Total		548,334	-	15,957	2,530	566,821
Realised gains on investments		-	35,046	-	-	35,046
Unrealised gains on investments		63,002	324,518	162,282	48,327	598,129
Net gains on investments		63,002	359,564	162,282	48,327	633,175
Net Income/(expenditure)		(48,288)	359,564	164,023	50,385	525,684
Transfer between Funds (amalgamation)	9	1,757,817	-	(1,434,693)	(323,124)	-
Other Transfer of Funds	9	250,000	(250,000)	-	-	-
Net movement in funds	9	1,959,529	109,564	(1,270,670)	(272,739)	525,684
Reconciliation of funds:						
Income funds b/f		106,309	-	1,270,670	272,739	1,649,718
Capital funds b/f		-	1,949,866	-	-	1,949,866
Funds carried forward		£2,065,838	£2,059,430	£-	£-	£4,125,268