

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2021**

**Registered Charity Number 1139299**

**Registered Company Number 7453039**

**THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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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 26<sup>th</sup> 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 2021. 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

<b>Registered Company Number</b>	7453039
<b>Registered Charity Number</b>	1139299
<b>Principal and Registered Office</b>	1 The Sanctuary Westminster London SW1P 3JT
<b>Trustees</b>	The Most Rev. the Lord Archbishop of Canterbury Justin Welby Andrew Britton (resigned 1 January 2022) Sandra De Lord (reappointed 21 May 2021) Rt. Worshipful Morag Ellis QC The Revd. Isabelle Hamley (retired 22 January 2021) Canon David Porter The Revd. Oladipo Tosin (appointed 5 July 2021)
<b>Secretary</b>	H.J. Dellar
<b>Bankers</b>	National Westminster Bank plc Argyll House, 246-250 Regent Street London W1B 3BN
<b>Solicitors</b>	Lee Bolton Monier-Williams 1 The Sanctuary Westminster London SW1P 3JT
<b>Independent Examiner</b>	George Crowther ACA Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Investment Advisors</b>	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 2021

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#### 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 of review two of them were based at Lambeth Palace, however Board meetings have been held remotely throughout 2021 in order to comply with government guidance on limiting face-to-face contact during the Coronavirus pandemic. 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 has continued to affect the way in which the Charity has operated in the year of review and subsequent to the 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 volatility in financial markets worldwide and in particular their instability since the 2021 year-end, together with changing demands for funding from the Foundation as a result of increasing economic and social hardship currently affecting much of the world.

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 2021.

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 investment portfolio had increased in value by 14% from the December 2020 to 2021 financial year end, reflecting unrealised gains of just over £582,000 in 2021. However, post year-end global stock markets have been affected by a number of economic and politically destabilising factors, such that at the date of signing these accounts the investment portfolio's valuation has dropped to £3,982,134 (although investments valued at £200,000 were sold in March 2022).

The Foundation 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 they should therefore continue to focus on long term sustainability, holding a balanced low risk portfolio that will mitigate as much as possible against the downturn in financial markets since the 2021 year end. They will maintain stable investment returns, minimising the risk that financial constraints would limit anticipated grant making in the year ahead.

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

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **RISK REVIEW (continued)**

- 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.

#### **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 3 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.

## THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

### TRUSTEES' REPORT (continued)

YEAR ENDED 31 DECEMBER 2021

#### RESERVES POLICY AND ASSET COVER FOR FUNDS

The Charity's reserves and the element of them comprised by fixed asset investments at 31 December 2021 are summarised below. Full details are set out in note 8.

	Other Reserves £	Fixed Asset Investments £	Total Reserves £
Unrestricted Funds	(100,521)	4,630,954	4,530,433
31 December 2021	(100,521)	4,630,954	4,530,433
31 December 2020	260,328	4,048,785	4,309,113

The negative 'other reserves' of £100,521 at 31 December 2021 reflects a number of large grants commitments included in creditors at the year end. Investments will need to be sold to realise the cash required when these grants are called on. The Trustees have absolute discretion as to when investments can and should be realised to support their grant making programme.

All of the funds held and utilised by the Foundation are unrestricted. 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. 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 Trustees are satisfied that the Foundation has sufficient reserves to meet ongoing regular grant 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 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 2021

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#### 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 2021 as reflected in the unrealised gains on investments held in the year of £582,169.

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. The investments have exceeded expectations in retained value in the year to 31 December 2021 and are considered more than adequate to mitigate against both the reduction in market value that has occurred post year-end and the ongoing uncertainty in financial markets that is predicted to continue in the year ahead.

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 40 grants totalling £620,660 (net: £607,660 as described below) were made by the Foundation which met the Foundation's grant criteria, as detailed in note 3 to the financial statements. Of these, 21 grants totalling £490,600 were made to advance the Christian Religion; 6 grants totalling £8,000 to advance Christian Education; 12 grants totalling £121,060 to promote the religious and other charitable work of the Church; and 1 grant of £1,000 for charitable purposes under Object 4.

3 grants totalling £13,000 made in 2020 were written back in 2021 as they were no longer needed i.e., £2,500 to the Cof E EU Representation (Obj 1); £10,000 to The Archbishops' Council (Obj 3); and £500 to Imkaan (Obj 4). The net total of grants is therefore £607,660.

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.

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.

## THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

### TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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 Archbishops' Council share common aims to promote the Christian faith. The Archbishops' 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 Archbishops' 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 Archbishops' 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 number of grants were made in 2021 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 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 2021 is set out on page 10 and shows total net incoming resources for the year of £221,320 (2020: £183,845). The net incoming resources include unrealised gains of £582,169 (2020: £252,986).

The Trustees are satisfied with the net financial position as at 31 December 2021 of £4,530,433 (2020: £4,309,113).

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

#### GOING CONCERN

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 2021

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### 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.

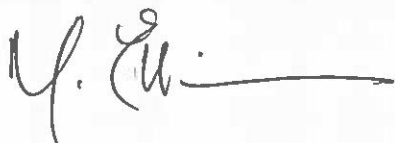
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 23<sup>rd</sup> May 2022

  
DAVID WILLIAM PUNTER

Trustee

Trustee



ROSALIND MURAL ELLIS

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

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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 2021.

**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: 23 May 2022

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

BALANCE SHEET


AS AT 31 DECEMBER 2021

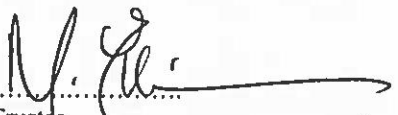
COMPANY NUMBER 7453039

	Notes	£	2021 £	£	2020 £
<b>FIXED ASSETS</b>					
Investments	5		4,630,954		4,048,785
<b>CURRENT ASSETS</b>					
Cash at Bank		188,148		332,678	
Debtors		-		5,000	
		188,148		337,678	
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	6	(288,669)		(77,350)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(100,521)		260,328
<b>TOTAL NET ASSETS</b>			<u>£4,530,433</u>		<u>£4,309,113</u>
<b>FUNDS</b>	7,8				
<b>Unrestricted funds</b>					
General		4,530,433		2,249,683	
Designated		-		2,059,430	
			4,530,433		4,309,113
<b>TOTAL CHARITY FUNDS</b>			<u>£4,530,433</u>		<u>£4,309,113</u>

The financial statements were approved and authorised for issue by the Board of the Trustees, and signed below on its behalf on xx 2022 by:

23 May 2022

  
Trustee **DAVID WILLIAM PORTER**

  
Trustee **ROSALINDA MIRAK ELLIS**

The notes on pages 11 to 19 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 2021**

	Notes	General Unrestricted Fund £	Unrestricted Designated Fund £	Total Funds 2021 £	Total Funds 2020 £
<b>Income from:</b>					
<i>Donations &amp; Legacies</i>					
Donations received		128,398	-	128,398	122,937
<i>Other trading activities</i>					
Royalties		3,734	-	3,734	3,716
<i>Investments</i>					
Interest received		67	-	67	642
Income from assets		117,681	-	117,681	113,642
<b>Total</b>		<u>249,880</u>	<u>-</u>	<u>249,880</u>	<u>240,937</u>
<b>Expenditure on:</b>					
Charitable activities	3	610,729	-	610,729	310,078
<b>Total</b>		<u>610,729</u>	<u>-</u>	<u>610,729</u>	<u>310,078</u>
Realised gains on investments		-	-	-	-
Unrealised gains on investments		582,169	-	582,169	252,986
<b>Net gains on investments</b>		<u>582,169</u>	<u>-</u>	<u>582,169</u>	<u>252,986</u>
<b>Net Income</b>		<u>221,320</u>	<u>-</u>	<u>221,320</u>	<u>183,845</u>
Transfer of funds	8	2,059,430	(2,059,430)	-	-
<b>Net movement in funds</b>		<u>2,280,750</u>	<u>(2,059,430)</u>	<u>221,320</u>	<u>183,845</u>
<b>Reconciliation of funds:</b>					
Income funds b/f		2,249,683		2,249,683	2,065,838
Capital funds b/f		-	2,059,430	2,059,430	2,059,430
<b>Funds carried forward</b>		<u><b>£4,530,433</b></u>	<u><b>£-</b></u>	<u><b>£4,530,433</b></u>	<u><b>£4,309,113</b></u>

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 10

The notes on pages 11 to 19 form part of these financial statements.

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **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 2021

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### 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 2021**

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**3. 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 2021 £	Unrestricted 2020 £
To advance the Christian religion (Object 1)	488,100	160,764
To advance Christian education (Object 2)	8,000	35,335
To promote the religious & other charitable work of the Church (Object 3)	111,060	102,460
Charitable Purposes (Object 4)	500	2,000
	<hr/>	<hr/>
Total grants	607,660	300,559
Governance costs (Note 5)	3,069	9,519
	<hr/>	<hr/>
	<u>£610,729</u>	<u>£310,078</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. GRANTS (continued)**

The following charitable institutions were supported by the above grants:

		2021 £			2021 £
<i>To advance the Christian religion (Obj.1)</i>			<i>To advance Christian education (Obj. 2)</i>		
The Archbishop's Council	1	10,000			
Anglican Centre in Rome	1	47,000			
Chemin Neuf Community	1	27,600			
Religion Media Centre	1	5,000			
Diocese in Europe	1	5,000	Grants under £5,000	6	8,000
Church Pastoral Aid	1	7,000			
ACC – UN Observer	1	15,000	<b>Total</b>	<b>6</b>	<b>£8,000</b>
Church Commissioners	7	317,000			
Coventry Diocese	1	10,000			
Diocese of Central Tanganyika	1	10,000			
Ministry in Sub Saharan Africa	3	20,000	<i>To promote the religious and other charitable work of the Church (Obj.3)</i>		
Southwark Eco Church	1	15,000			
Grants Under Grants Under £5,000	1	2,000			
2020 Grant written back		(2,500)			
<b>Total</b>	<b>21</b>	<b>£488,100</b>	The Church Commissioners	4	71,000
			Bishop Ezekiel	1	5,000
			Feeding Britain	1	15,000
			Diocese of Beni	1	6,000
			Episcopal Church South Sudan	1	10,000
			Amos Trust	1	10,000
			Grants under £5,000	3	4,060
			2020 Grant written back		(10,000)
			<b>Total</b>	<b>12</b>	<b>£111,060</b>
			<i>Charitable Purposes (Obj.4)</i>		
			Grants under £5,000	1	1,000
			2020 Grant written back		(500)
			<b>Total</b>	<b>1</b>	<b>£500</b>
			<b>Total Grants</b>	<b>40</b>	<b>£607,660</b>



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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. GRANTS (continued)  
COMPARATIVE 2020**

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 Archbishops' Council	1	10,000	Near Neighbours (Catalyst Young Leaders Program)	1	12,000
Chemin Neuf 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			
Southwark Eco Church	1	30,000			
Coventry Diocese	1	20,000	<b>Total</b>	<b>10</b>	<b>£35,335</b>
Ministry in Sub Saharan Africa	4	20,090			
Grants Under £5,000	4	4,784	<i>To promote the religious and other charitable work of the Church (Obj. 3)</i>		
<b>Total</b>	<b>16</b>	<b>£160,764</b>			
			The Archbishops' Council	2	20,000
			Orri Ltd	1	10,000
			The Church Commissioners	2	36,000
			Feeding Britain	1	15,000
			Council of Christians & Jews	1	10,000
			Grants under £5,000	5	11,460
			<b>Total</b>	<b>12</b>	<b>£102,460</b>
			<i>Charitable Purposes (Obj. 4)</i>		
			Grants under £5,000	2	2,000
			<b>Total</b>	<b>2</b>	<b>£2,000</b>
			<b>Total Grants</b>	<b>40</b>	<b>£300,559</b>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>4. CHARITABLE SUPPORT COSTS</b>	<b>2021 £</b>	<b>2020 £</b>
Other Support costs	489	2,105
Governance costs:		
Legal Fees	-	1,296
Independent Examiner's remuneration:		
Current year	1,560	3,390
Prior year over provision (credited back)	(1,680)	-
Accountancy fees	2,700	2,728
	<u>£3,069</u>	<u>£9,519</u>

In the comparative year, some grant payments were incorrectly included within support costs. The comparative figures have been adjusted this year to reflect the correct allocation between grants and support costs, increasing 'grants' and reducing 'other support costs' in 2020 by £47,000.

<b>5. INVESTMENTS IN CHARITABLE FUNDS</b>	<b>Listed managed Funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Market value at 1 January 2021	£4,048,785	£4,048,785	£3,795,799
Net unrealised gain on revaluation as at 31 December 2021	582,169	582,169	252,986
	<u>£4,630,954</u>	<u>£4,630,954</u>	<u>£4,048,785</u>
Market value as at 31 December 2021	£4,630,954	£4,630,954	£4,048,785
Historical cost as at 31 December 2021	<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.

<b>6. CREDITORS: amounts due within one year</b>	<b>2021 £</b>	<b>2020 £</b>
Grant creditors	284,409	71,560
Accrued expenses	4,260	5,790
	<u>£288,669</u>	<u>£77,350</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted/ Total Funds 2021 £	Unrestricted/ Total Funds 2020 £
<b>Represented by:</b>		
Investments	4,630,954	4,048,785
Current assets	188,148	337,678
Current liabilities	(288,669)	(77,350)
<b>Fund balances at 31 December</b>	<b><u>£4,530,433</u></b>	<b><u>£4,309,113</u></b>

**8. UNRESTRICTED FUNDS**

	Balance 1 January 2021 £	Income £	Expend. £	Transfers £	Gain on Investments £	Balance 31 December 2021 £
<b>General Fund</b>	2,249,683	249,880	(610,729)	2,059,430	582,169	4,530,433
<b>Designated funds</b>						
Capital fund	2,059,430	-	-	(2,059,430)	-	-
<b>Total unrestricted funds</b>	<b><u>£4,309,113</u></b>	<b><u>£249,880</u></b>	<b><u>(£610,729)</u></b>	<b><u>£-</u></b>	<b><u>£582,169</u></b>	<b><u>£4,530,433</u></b>

Each year a budget is drawn up of the annual commitments (grants). The Trustees aim to keep the regular committed expenditure within the expected income. Any other larger or one-off additional grants are paid from the accumulated unspent fund.

**DESIGNATED FUNDS**

The Unrestricted Capital Fund was designated to reflect the 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 had subsequently added to the Capital Fund. Due to the amalgamation of funds undertaken in 2019 with Charity Commission approval, this Designated Capital Fund now serves no meaningful purpose. The Trustees therefore resolved in the year of review to remove the designation of the Capital Fund and to release this Capital Fund back to the General Fund. This is reflected in the funds transfer shown above.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. FUNDS (continued)**  
**COMPARATIVE 2020**

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

**9. 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 2021**

**10. COMPARATIVE SOFA (CHARITIES SORP)**

	Notes	General Unrestricted Funds £	Unrestricted Designated Funds £	Total Funds 2020 £
<b>Income from:</b>				
<i>Donations &amp; Legacies</i>				
Donations received		122,937	-	122,937
<i>Other trading activities</i>				
Royalties		3,716	-	3,716
<i>Investments</i>				
Interest received		642	-	642
Income from assets		113,642	-	113,642
<b>Total</b>		<u>240,937</u>	<u>-</u>	<u>240,937</u>
<b>Expenditure on:</b>				
Charitable activities	3	<u>310,078</u>	<u>-</u>	<u>310,078</u>
<b>Total</b>		<u>310,078</u>	<u>-</u>	<u>310,078</u>
Realised gains on investments		-	-	-
Unrealised gains on investments		252,986	-	252,986
<b>Net gains on investments</b>		<u>252,986</u>	<u>-</u>	<u>252,986</u>
<b>Net Income</b>		<u>183,845</u>	<u>-</u>	<u>183,845</u>
<b>Net movement in funds</b>	8			
<b>Reconciliation of funds:</b>				
Income funds b/f		2,065,838	-	2,065,838
Capital funds b/f		-	2,059,430	2,059,430
<b>Funds carried forward</b>		<u><u>£2,249,683</u></u>	<u><u>£2,059,430</u></u>	<u><u>£4,309,113</u></u>