

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Registered Charity Number 1139299

Registered Company Number 7453039

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

INDEX

Page

Trustees' Report

1-7

Auditors' Report

8-10

Statement of Financial Activities

11

Balance Sheet

12

Notes to the Financial Statements

13-21

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 it is also a registered charity (Charity Number 1139299).

The Trustees are pleased to present their annual report and the financial statements for the year ended 31 December 2022. The financial statements have been prepared under the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FR5 102) (Second Edition, effective 1 January 2019). 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
Andrew Britton (resigned 1 January 2022)
Sandra De Lord
Rt. Worshipful Morag Ellis KC
The Revd. Ijeoma Ajibade (appointed 13 January 2023)
Canon David Porter (resigned 13 January 2022)
The Revd. Jesutosin Oladipo
Tomilayo Toluhi (appointed 24 April 2023)

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 3JTA

Auditors

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 2022

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 information regarding finances, governance and charitable objectives. Trustees are encouraged to attend appropriate external training events, which facilitate the understanding of their role.

The Trustees meet as required. In the year of review three of them were based at Lambeth Palace. The Trustees agree the strategy of the Foundation, including consideration of grants, investments, reserves and risk management policies and performance.

The Trustees are not remunerated for their service.

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 their impact on future plans.

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 current volatility in financial markets worldwide, 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 2022 and have continued to do so post year end.

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 decreased in value by £1,511,660 from the December 2021 to 2022 financial year end, reflecting a sale of investments of £1,000,000 and realised and unrealised losses of £511,660 in 2022. Post year-end, the investments have risen by 6%, however at the date of signing the accounts there remains much volatility in global markets, which may further reduce the capital base of the Charity in the year ahead.

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 continuing downturns in financial markets. They will look to 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 2022

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 objectives 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.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

RESERVES POLICY AND ASSET COVER FOR FUNDS

The Charity's reserves and the element of them comprised by fixed asset investments at 31 December 2022 are summarised below. Full details are set out in note 9.

	Other Reserves £	Fixed Asset Investments £	Total Reserves £
Unrestricted Funds	20,618	3,119,294	3,139,912
31 December 2022	20,618	3,119,294	3,139,912
31 December 2021	(100,521)	4,630,954	4,530,433

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 2022

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 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.

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. Whilst not actively seeking donations, it does also receive these from time to time in support of its charitable priorities. 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 47 (2021: 40) grants totalling £1,369,945 (net: £1,212,192 as described below) (2021: £620,660, net: £607,660) were made by the Foundation which met the Foundation's grant criteria, as detailed in note 4 to the financial statements. Of these, 22 grants (2021: 21) totalling £1,267,249 (2021: £490,600) were made to advance the Christian Religion; 11 grants (2021: 6) totalling £5,788 (2021: £8,000) to advance Christian Education; 11 grants (2021: 12) totalling £68,258 (2021: £121,060) to promote the religious and other charitable work of the Church; and 3 grants (2021: 1) of £28,650 (2021: £1,000) for charitable purposes under Object 4.

A grant of £157,753 made in 2021 to The Church Commissioners for work on the Archbishops' Policy Commissions was returned in 2022 as the costs for this project are now being borne by The Archbishops' Council. The net total of grants is therefore £1,212,192.

Grants totalling £368,360 (2021: £10,000) were made to the Archbishops' Council in 2022 to support the Archbishops' Policy Commissions, which are helping to shape the Church's response to aspects of life in the UK today. The Policy Commissions are reporting on issues surrounding families and households, social care, and racial justice, encouraging the Church to consider the role that it should play for the benefit of society in England.

Grants totalling £495,000 (2021: £388,000) were made to the Church Commissioners in 2022 for the planning and delivery of various aspects of the Archbishop of Canterbury's evangelism ministry and reconciliation ministry. Notably, this included support for the Difference Course which explores Christian faith in a complex and divided world and encourages relationship building. It also included support for the new Cultural Witness Centre, which launched in September 2022 and works with theologians and contemporary thinkers to make the Christian faith better understood in the public arena.

A number of 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 2022

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.

The Archbishop of Canterbury's Charitable Foundation, the Archbishops' Council, the Anglican Consultative Council, and the Archbishop of Canterbury's Anglican Communion Fund 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 2022, 2 grants (2021: 1) totalling £368,360 were made (2021: £10,000).

The Anglican Consultative Council is a charity, set up in law to support the Anglican Church worldwide. The Archbishop of Canterbury is President of the Anglican Consultative Council and a Trustee of the charity by virtue of his Office, but there are no other trustees in common. A grant of £5,000 was made in 2022 (2021: nil).

The Archbishop of Canterbury's Anglican Communion Fund is a charity set up in law to help the churches and provinces of the Anglican Communion in times of crisis. The Archbishop of Canterbury is Chair of the Trustees by virtue of his Office, but there are no other trustees in common. A grant of £5,000 was made in 2022 (2021: nil).

In making grants to the Archbishops' Council, the Anglican Consultative Council, and the Anglican Communion Fund 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 worldwide are supported financially to maximise their impact.

7 grants (2021: 11) totalling £495,000 (2021: £388,000) were made in 2022 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 KC 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 Foundation'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 2022 is set out on page 11 and shows total net outgoing resources for the year of £1,390,521 (2021: incoming resources £221,320). The net outgoing resources include realised losses on investments of £97,566 and unrealised losses on investments of £414,094 (2021: unrealised gains £582,169).

The Trustees are satisfied with the net financial position as at 31 December 2022 of £3,139,912 (2021: £4,530,433).

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

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 Trustees' Annual Report 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

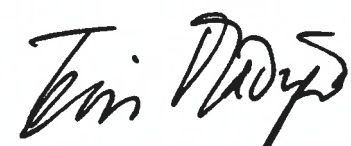
In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415a of the Companies Act 2006.

Signed on behalf of the Trustees on 6th September 2023



Trustee SANDRA DE LORO

Trustee


THE REV. JESUTOS IN OLADIPO

AUDITOR'S REPORT TO THE TRUSTEES OF THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of The Archbishop of Canterbury's Charitable Foundation for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 December 2022 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 Charity 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 Trustees' use of the 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 charitable company's ability to continue as a 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

AUDITOR'S REPORT TO THE TRUSTEES OF

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or 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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

AUDITOR'S REPORT TO THE TRUSTEES OF

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION (continued)

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Halsey (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

Date: 20 September 2023

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	General Unrestricted Fund £	Total Funds 2022 £	Total Funds 2021 £
Income from:				
<i>Donations & Legacies</i>				
Donations received	3	222,705	222,705	128,398
<i>Other trading activities</i>				
Royalties		8,657	8,657	3,734
<i>Investments</i>				
Interest received		26	26	67
Income from assets		117,301	117,301	117,681
Total		<u>348,689</u>	<u>348,689</u>	<u>249,880</u>
Expenditure on:				
Charitable activities	4	1,227,550	1,227,550	610,729
Total		<u>1,227,550</u>	<u>1,227,550</u>	<u>610,729</u>
Realised losses on investments	7	(97,566)	(97,566)	-
Unrealised (losses)/gains on investments	7	(414,094)	(414,094)	582,169
Net (losses)/gains on investments		<u>(511,660)</u>	<u>(511,660)</u>	<u>582,169</u>
Net (Expenditure)/Income		<u>(1,390,521)</u>	<u>(1,390,521)</u>	<u>221,320</u>
Net movement in funds		<u>(1,390,521)</u>	<u>(1,390,521)</u>	<u>221,320</u>
Reconciliation of funds:				
Income funds b/f		4,530,433	4,530,433	2,249,683
Capital funds b/f		-	-	2,059,430
Funds carried forward	10	<u>£3,139,912</u>	<u>£3,139,912</u>	<u>£4,530,433</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 12

The notes on pages 13 to 21 form part of these financial statements.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

COMPANY NUMBER 7453039

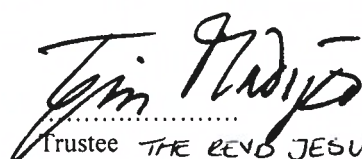
	Notes	£	2022	£	£	2021	£
FIXED ASSETS							
Investments	7			3,119,294			4,630,954
CURRENT ASSETS							
Cash at Bank			527,318		188,148		
Debtors			-		-		
			527,318		188,148		
LIABILITIES							
Creditors: Amounts falling due within one year	8	(506,700)			(288,669)		
NET CURRENT ASSETS/(LIABILITIES)				20,618			(100,521)
TOTAL NET ASSETS				<u>£3,139,912</u>			<u>£4,530,433</u>
FUNDS	9,10						
Unrestricted funds							
General				3,139,912			4,530,433
TOTAL CHARITY FUNDS				<u>£3,139,912</u>			<u>£4,530,433</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board of the Trustees, and signed below on its behalf on 6th September 2023 by:



Trustee *SANDRA DE LORO*



Trustee *THE REV. JESUTOSIN OLUADIJO*

The notes on pages 13 to 21 form an integral part of these financial statements

1. ACCOUNTING POLICIES

General Information and basis of preparation

The Archbishop of Canterbury's Charitable Foundation is a company limited by guarantee and is registered with the Charity Commissioners (Charity Registered Number 1139299) and Registrar of Companies (Company Registration Number 7453039) in England and Wales. 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. The address of the registered office is given in the Charity information on page 1 of these financial statements.

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 and highly liquid investment portfolio, 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 2022

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 Foundation held no Designated funds in the current year of review.

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.

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.

3. DONATIONS & LEGACIES	2022	2021
	£	£
Donations from charitable organisations	161,050	105,000
Other donations	61,655	23,398
	<hr/>	<hr/>
Total	£222,705	£128,398
	=====	=====

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 recipients and the causes that were funded during the year is included below:

	Unrestricted 2022 £	Unrestricted 2021 £
To advance the Christian religion (Object 1)	1,109,496	488,100
To advance Christian education (Object 2)	5,788	8,000
To promote the religious & other charitable work of the Church (Object 3)	68,258	111,060
Charitable Purposes (Object 4)	28,650	500
	<hr/>	<hr/>
Total grants	1,212,192	607,660
Charitable Support Costs (Note 5)	15,358	3,069
	<hr/>	<hr/>
	£1,227,550	£610,729

Further details of the charitable activities supported by the grants made in the year are given in the Trustees' Report.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

4. GRANTS (continued)

The following charitable institutions were supported by the above grants:

		2022 £			2022 £
<i>To advance the Christian religion (Obj.1)</i>			<i>To advance Christian education (Obj. 2)</i>		
The Archbishops' Council	2	368,360	Grants under £5,000	11	5,788
Anglican Centre in Rome	1	47,000			
Chemin Neuf Community	1	27,889	Total	11	£5,788
Internal Province of Ghana	1	10,000			
Church Pastoral Aid	1	7,000	<i>To promote the religious and other charitable work of the Church (Obj.3)</i>		
All Saints Peshawar	1	5,000	Anglican Church of Burundi	1	10,000
Church Commissioners	6	475,000	Barnabas Fund	1	5,000
Coventry Diocese	1	30,000	Church Commissioners	1	20,000
Episcopal Diocese of Ayod	1	10,000	Diocese of Colombo	1	10,000
Ministry in Sub Saharan Africa	4	22,000	The Archbishop of Canterbury's Anglican Communion Fund	1	5,000
			Anglican Church Mozambique	1	5,000
The Lambeth Conference	1	250,000	Anglican Consultative Council	1	5,000
Faith in Later Life	1	10,000	Grants under £5,000	4	8,258
Diocese of Central Tanganyika	1	5,000			
			Total	11	£68,258
2021 Church Commrs grant returned		(157,753)			
Total	22	£1,109,496	<i>Charitable Purposes (Obj.4)</i>		
			Near Neighbours	1	25,000
			Grants under £5,000	2	3,650
			Total	3	£28,650
			Total Grants	47	£1,212,192

Of the grants under Object 2, 10, totalling £3,788, were paid to individuals.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 GRANTS (continued)
COMPARATIVE 2021

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

			Total	1	£500
					=====
			Total Grants	40	£607,660
					=====

The six grants under object 2 were made to individuals.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

5. CHARITABLE SUPPORT COSTS

	2022	2021
	£	£
Other Support costs	745	489
Governance costs:		
Auditors' remuneration	12,000	-
Independent Examiner's remuneration	-	1,560
Prior year over provision (credited back)	-	(1,680)
Accountancy fees	2,613	2,700
	<u>£15,358</u>	<u>£3,069</u>

6. STAFF COSTS

The Charity does not have any employees.

7. INVESTMENTS IN CHARITABLE FUNDS

	Listed managed Funds	Total 2022	Total 2021
	£	£	£
Market value at 1 January 2022	£4,630,954	£4,630,954	£4,048,785
Disposal proceeds	(1,000,000)	(1,000,000)	-
Net realised loss on disposal	(97,566)	(97,566)	-
Net unrealised (loss)/gain on revaluation as at 31 December 2022	(414,094)	(414,094)	582,169
	<u>£3,119,294</u>	<u>£3,119,294</u>	<u>£4,630,954</u>
Historical cost as at 31 December 2022	<u>£1,308,284</u>	<u>£1,308,284</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.

8. CREDITORS: amounts due within one year

	2022	2021
	£	£
Grant creditors	492,000	284,409
Accrued expenses	14,700	4,260
	<u>£506,700</u>	<u>£288,669</u>

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted/ Total Funds 2022 £	Unrestricted/ Total Funds 2021 £
Represented by:		
Investments	3,119,294	4,630,954
Current assets	527,318	188,148
Current liabilities	(506,700)	(288,669)
Fund balances at 31 December 2022	<u>£3,139,912</u>	<u>£4,530,433</u>

10. UNRESTRICTED FUNDS

	Balance 1 January 2022 £	Income £	Expend. £	Loss on Investments £	Balance 31 December 2022 £
General Fund	4,530,433	348,689	(1,227,550)	(511,660)	3,139,912
Total unrestricted funds	<u>£4,530,433</u>	<u>£348,689</u>	<u>(£1,227,550)</u>	<u>(£511,660)</u>	<u>£3,139,912</u>

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 general fund.

THE ARCHBISHOP OF CANTERBURY'S CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

10. FUNDS (continued)
COMPARATIVE 2021

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

In 2021 the Trustees resolved to remove the designation of the capital fund and to release this back to the general fund. This is reflected in the funds transfer shown above.

11. 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 2022

12. COMPARATIVE SOFA (CHARITIES SORP)

	Notes	General Unrestricted Funds £	Unrestricted Designated Funds £	Total Funds 2021 £
Income from:				
<i>Donations & Legacies</i>				
Donations received	3	128,398	-	128,398
<i>Other trading activities</i>				
Royalties		3,734	-	3,734
<i>Investments</i>				
Interest received		67	-	67
Income from assets		117,681	-	117,681
Total		249,880	-	249,880
Expenditure on:				
Charitable activities	4	610,729	-	610,729
Total		610,729	-	610,729
Realised gains on investments		-	-	-
Unrealised gains on investments		582,169	-	582,169
Net gains on investments		582,169	-	582,169
Net Income		221,320	-	221,320
Transfer of Funds	10	2,059,430	(2,059,430)	-
Net movement in funds				
Reconciliation of funds:		2,280,750	(2,059,430)	221,320
Income funds b/f		2,249,683	-	2,249,683
Capital funds b/f		-	2,059,430	2,059,430
Funds carried forward	10	£4,530,433	£-	£4,530,433