

Company registration number: 11862410

Charity registration number: 1187015

# Faithinvest

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Richardson Swift Audit Limited  
11 Laura Place  
Bath  
BA2 4BL

# **Faithinvest**

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## **Faithinvest**

### **Reference and Administrative Details**

<b>Trustees</b>	Shaunaka Rishi Das Susan Smith Makos David Henry Zellner Julie Robinson Hammerman Hayu Prabowo
<b>Principal Office</b>	c/o Stone King Llp Boundary House 91-95 Charterhouse Street London EC1M 6HR
<b>Company Registration Number</b>	11862410
<b>Charity Registration Number</b>	1187015
<b>Auditor</b>	Richardson Swift Audit Limited 11 Laura Place Bath BA2 4BL

# **Faithinvest**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2020.

### **Trustees**

Shaunaka Rishi Das

Susan Smith Makos

David Henry Zellner

Julie Robinson Hammerman

Hayu Prabowo (appointed 14 July 2020)

All trustees served throughout the period with the exception of Hayu Prabowo who was appointed on 14 July 2020.

### **Objectives and activities**

#### ***Objects and aims***

The principal object of the charity is:

1. to promote to promote the efficiency and effectiveness of charities, in particular but not exclusively faith charities, through the provision of advice, information and training on the subject of making ethical investments, which for the purpose of these objects is defined as a financial investment that takes into account those charities' values and ethos; and

2. to further such other purposes which may be charitable according to the law of England and Wales.

This is done by:

- Promoting values-driven investing among both faith and secular groups.
- Establishing a membership association for faith asset owners.
- Supporting faiths to develop their own faith-consistent investment guidelines.
- Supporting members in improving their capacity to carry out values-driven investing.
- Holding events bringing faiths and investment professionals together to share best practice and discuss investment challenges.
- Developing opportunities for faiths to share, create and access potentially investable projects.
- Supporting research into faiths and investments.
- Publishing and promoting materials which explore the links between religions and ethical investing and further the aims of FaithInvest.
- Raising and granting funds for the above activities.

# **Faithinvest**

## **Trustees' Report**

### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### ***Grant making policies***

The policy of the charity is to make grants to institutions for the purpose of supporting faith consistent investment activities and principles, and in accordance with the aims and objectives of the charity as set out above.

### ***Achievements and performance***

The year 2020 was of course challenging for everyone but especially for FaithInvest which had only come into legal existence in 2019.

At the start of 2020 we sought to appoint a CEO and had chosen someone who was due to start on March 3rd. The Friday before she had to withdraw for family reasons and so we found ourselves going into lockdown with no CEO. Martin Palmer, the Founding President agreed to become the interim CEO to see Faithinvest through this turbulent period.

The Membership aspect of Faithinvest had been hugely developed through appointing Nana Francois in October 2019 and she built up through the year a highly professional team based primarily in the USA and together they have brought the membership dimension of Faithinvest to the point at which it was possible to start designing a members portal and programme for the post-Covid world.

Meanwhile through our involvement with WWF's Beliefs and Values programme – the other offspring from our parent the Alliance of Religions and Conservation (ARC) we started work on the Faith Long Term Plans at the request of the British Government (because of COP26) and the UN. This builds upon a very successful programme of encouraging faith groups to plan for a long term implementation through their assets, resources, wisdom etc of environmental actions which ARC ran with the UN in 2009. This has proved to be a highly successful new development and one which while not entirely focused on Faithinvest's key priorities has opened the door to many potential new members and data about the role of faiths.

Arising from this we realised we needed not just a Membership programme but also a Movement programme. We needed to be creating the eco-system within which it would become more and more natural – and expected – that faiths would be faith-consistent in their investment programmes and policies. In September we appointed Lorna Gold to head the programme and this has proved to be very successful.

Also during this time Faithinvest was asked to join the Pope's Covid Commission and this too has opened many new doors.

As we look to the post Covid future we can see the Membership growing not least in response to the issues highlighted by Covid and we can see the growth of greater action by the faiths on environmental and sustainability agendas and actions which is the focus of the Movement programme.

Side by side they are creating a knowledge base of the faiths and their assets which will be unique and will guide and shape core elements of the future of FaithInvest.

# **Faithinvest**

## **Trustees' Report**

The nature of the charity's funding and activities is such that no significant fundraising activities are carried out.

### **Financial review**

#### **Income**

In addition to the £244,431 which was carried forward from the 2019 accounts

FaithInvest received the following major grants during the financial year

- Porticus funding of €500,000 = £440,761.87 and €1,000,000 = £911,483.62 for core and programme funding
- GHR Foundation funding of \$200,000 = £148,963.50 for core and programme funding
- WWF UK funding of £207,250, of which £120,000 was sub-granted to the Internal Network of Conservation and Religion and partners supporting CelebrationEarth! to support the work and research for Movement Building and the Faith Plans.

#### **Other points of note**

The FaithInvest team has expanded and has brought in PAYE staff and consultants from Ireland and the US. This has required FaithInvest to register as a non-trading entity in Ireland along with the need for legal counsel to assess the agreements with the US based consultant

#### **Fund**

As at the end of the financial period, funds carried forward of £1,081,840 are designated to costs of the project to be carried out in the next financial period.

### ***Policy on reserves***

The Trustees have established a reserves policy in line with the strategic and corporate plan of the charity to ensure it has adequate reserves to meet its current and future needs and ensuring they comply with the Charities SORP and the Companies Act 2006.

The purpose of this policy is to balance the aims and objectives of being efficient as a not-for-profit organisation with the goal of sustainability. Decisions on the appropriate, sustainable levels of reserves will be informed by a combination of short-term working capital requirements, projected levels of operating costs, estimates of contract exit costs and availability of funds for new programme delivery. The reserves are to be held in cash or cash equivalent securities.

FaithInvest's reserves policy stipulates that the cash and reserves position is to be sufficient to cover a minimum of 6 months operating costs and to enable the charity to develop new initiatives in support of its charitable objects. With 6 months future operating costs estimated at £500k, the Trustees have agreed a target reserves of £500k to £750k. At the end of the year, the Charity's free reserves stood at £1,081k.

The policy is reviewed annually.

# **Faithinvest**

## **Trustees' Report**

### **Plans for future periods**

#### ***Aims and key objectives for future periods***

The key objectives remain

- to develop the membership, growing the range and number of faith institutions who engage with and benefit from our charitable purposes
- assist the movement of institutions making commitments to faith consistent investing
- aid the development of a pipeline of investable projects and opportunities for our target beneficiaries – faith-based asset-owning institutions

FaithInvest is structuring and scaling itself for growth as each of these areas will see significant increase in activity over the next year and strengthening the core teams in the Membership and Movement Building pillars and ensuring capacity in Communications.

FaithInvest will continue to drive Member numbers and engagement through its online Portal, 5 initial topic specific Working Groups for collaboration to solve specific challenges (e.g. creating Faith Consistent Investment Policies and Guidelines) and Member Events

FaithInvest will continue to build the Movement through the FaithPlans programme in partnership with the WWF Belief and Values programme, and with 27 other core partners, and with activities spanning across the full scope a faith based institutional activities, with a focus on assets and investments so that participants and enables to benefit from our work focused on our charitable purpose.

FaithInvest will build on the existing database of investment opportunities (as contributed by its Membership), to develop ways to showcase other Impact investment related investment opportunities (building on the entrepreneurship courses created jointly with UNDP) and FaithInvest will work in partnership with other faith-based and secular partners and multilateral agencies to develop opportunities for our target beneficiaries.

The CEO continues to prioritise the pursuit of new funding opportunities to support growth.

### **Structure, governance and management**

#### ***Nature of governing document***

FaithInvest is a company limited by guarantee, governed by its Memorandum and Articles of Association and was incorporated on 5th March 2019. The company registered with the Charity Commission on 18th December 2019.

New directors are appointed by serving directors and are provided with information regarding the company, its constitution, aims and objectives on appointment.

Decisions regarding the strategy and aims of the charity are taken by the trustees. The Honorary President, Martin Palmer, oversees the day to day management of the charity.

# Faithinvest

## Trustees' Report

### ***Arrangements for setting key management personnel remuneration***

Leadership team remuneration is decided by the Board and set at the appropriate levels to recruit and retain the skillset and expertise required.

The Board believes that the pay levels set in comparison with national charities is competitive.

The Board reviews the remuneration policy on an annual basis and preapproves all contracts of employment prior to appointment.

### ***Major risks and management of those risks***

#### ***Country risk***

FaithInvest gives grants out to support registered faith-based organisations which its team has longstanding relationships within countries including Uganda, Kenya, Zimbabwe, Bhutan, Ethiopia and Tanzania, and FaithInvest is aware of the need to take an enhanced due diligence approach.

### **Financial instruments**

#### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

#### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.



# Faithinvest

## Trustees' Report

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of Faithinvest for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

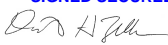
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 28 September 2021 and signed on its behalf by:

SIGNED SECURELY  
  
28/09/2021 at 12:26:16 AM UTC

.....  
David Henry Zellner  
Trustee

## **Faithinvest**

### **Independent Auditor's Report to the Members of Faithinvest**

#### **Opinion**

We have audited the financial statements of Faithinvest (the 'charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 annual report, other than the financial statements and our auditor's report thereon. 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.

## **Faithinvest**

### **Independent Auditor's Report to the Members of Faithinvest**

We have nothing to report in this regard.

#### **Opinion 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees 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 charity'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 charity 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:

## Faithinvest

### Independent Auditor's Report to the Members of Faithinvest

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity by discussion with key personnel and consideration of our experience of clients in similar sectors.

We determined that the most significant laws and regulations which have a direct impact on the form and content of the financial statements of the entity are the Companies Act and UK GAAP, specifically the Charities SORP.

We determined that the most significant operational laws and regulations for the entity are those governing the charitable sector and financial advice.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above, with no issues arising.

We gained an understanding of the entity's policy and procedures by discussion with key personnel and substantive audit work.

We assessed the risk of material misstatement in respect of fraud through our planning processes, and no significant risks were identified.

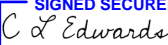
We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

SIGNED SECURELY  
  
29/09/2021 at 8:11:24 AM UTC

Catherine Edwards BSc ACA (Senior Statutory Auditor)  
For and on behalf of Richardson Swift Audit Limited, Statutory Auditor

11 Laura Place

Bath

BA2 4B

SIGNED SECURELY  
29/09/2021  
29/09/2021 at 8:11:24 AM UTC

Date:.....

## Faithinvest

### Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	1,758,159	1,758,159	446,332
Investment income	4	<u>202</u>	<u>202</u>	<u>131</u>
Total income		<u>1,758,361</u>	<u>1,758,361</u>	<u>446,463</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(921,552)</u>	<u>(921,552)</u>	<u>(202,032)</u>
Total expenditure		<u>(921,552)</u>	<u>(921,552)</u>	<u>(202,032)</u>
Net income		<u>836,809</u>	<u>836,809</u>	<u>244,431</u>
Net movement in funds		836,809	836,809	244,431
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>244,431</u>	<u>244,431</u>	<u>-</u>
Total funds carried forward	16	<u><u>1,081,240</u></u>	<u><u>1,081,240</u></u>	<u><u>244,431</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 16.

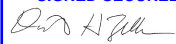
The notes on pages 14 to 27 form an integral part of these financial statements.

# Faithinvest

## (Registration number: 11862410) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	10,302	9,656
<b>Current assets</b>			
Debtors	13	7,173	185
Cash at bank and in hand	14	<u>1,073,965</u>	<u>237,902</u>
		1,081,138	238,087
<b>Creditors: Amounts falling due within one year</b>	15	<u>(10,200)</u>	<u>(3,312)</u>
<b>Net current assets</b>		<u>1,070,938</u>	<u>234,775</u>
<b>Net assets</b>		<u>1,081,240</u>	<u>244,431</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>1,081,240</u>	<u>244,431</u>
<b>Total funds</b>	16	<u>1,081,240</u>	<u>244,431</u>

The financial statements on pages 11 to 27 were approved by the trustees, and authorised for issue on 28 September 2021 and signed on their behalf by:

 SIGNED SECURELY  
28/09/2021 at 12:26:16 AM UTC

.....  
David Henry Zellner  
Trustee

The notes on pages 14 to 27 form an integral part of these financial statements.

# Faithinvest

## Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash income		836,809	244,431
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		4,492	1,119
Investment income	4	<u>(202)</u>	<u>(131)</u>
		841,099	245,419
<b>Working capital adjustments</b>			
Increase in debtors	13	(6,988)	(185)
Increase in creditors	15	<u>6,888</u>	<u>3,312</u>
Net cash flows from operating activities		<u>840,999</u>	<u>248,546</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	202	131
Purchase of tangible fixed assets	12	<u>(5,138)</u>	<u>(10,775)</u>
Net cash flows from investing activities		<u>(4,936)</u>	<u>(10,644)</u>
Net increase in cash and cash equivalents		836,063	237,902
Cash and cash equivalents at 1 January		<u>237,902</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u><u>1,073,965</u></u>	<u><u>237,902</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 14 to 27 form an integral part of these financial statements.

# **Faithinvest**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

c/o Stone King LLP

Boundary House

91-95 Charterhouse Street

London

EC1M 6HR

These financial statements were authorised for issue by the trustees on 28 September 2021.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### **Basis of preparation**

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

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.



## **Faithinvest**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Investment income**

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

## Faithinvest

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	33% straight line

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **Faithinvest**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

## **Faithinvest**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## **Faithinvest**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### ***Debt instruments***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

# Faithinvest

## Notes to the Financial Statements for the Year Ended 31 December 2020

### ***Derivative financial instruments***

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

### **3 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Total funds £</b>
Donations and legacies;		
Donations	14,285	14,285
Grants, including capital grants;		
Grants - Porticus / Benevolentia Stitching	1,352,245	1,352,245
Grants - WWF-UK	207,250	207,250
Grants - Vatican / Dicastery	35,416	35,416
Grants - GHR Alder Management	148,963	148,963
<b>Total for period ended 31 December 2020</b>	<b>1,758,159</b>	<b>1,758,159</b>
<b>Total for period ended 31 December 2019</b>	<b>446,332</b>	<b>446,332</b>

### **4 Investment income**

	<b>Unrestricted funds General £</b>	<b>Total funds £</b>
Interest receivable and similar income;		
Interest receivable on bank deposits	202	202
<b>Total for period ended 31 December 2020</b>	<b>202</b>	<b>202</b>
<b>Total for period ended 31 December 2019</b>	<b>131</b>	<b>131</b>

# Faithinvest

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 5 Expenditure on charitable activities

	<b>Note</b>	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Projects, management and events		442,009	442,009	71,024
Grant funding of activities		38,292	38,292	30,152
Staff costs		363,182	363,182	81,046
Allocated support costs	6	71,469	71,469	16,810
Governance costs	6	6,600	6,600	3,000
		<u>921,552</u>	<u>921,552</u>	<u>202,032</u>

	<b>Activity undertaken directly £</b>	<b>Activity support costs £</b>	<b>2020 £</b>	<b>2019 £</b>
Projects, management and events	442,009	-	442,009	71,024
Grants made	38,292	-	38,292	30,152
Staff costs	284,872	78,310	363,182	81,046
Allocated support costs	-	71,469	71,469	16,810
Governance costs	-	6,600	6,600	3,000
	<u>765,173</u>	<u>156,379</u>	<u>921,552</u>	<u>202,032</u>

# Faithinvest

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 6 Analysis of governance and support costs

#### Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Finance costs £	Information technology £	Staff costs £
Assist major religious investment funds to be more faith-consistent through investment in sustainable and environmental development	A	6,600	(16)	1,920	78,310
<b>Total for period ended 31 December 2019</b>		<u>3,000</u>	<u>(117)</u>	<u>-</u>	<u>33,288</u>
		<b>Premises costs including depreciation</b>			
		<b>Administration costs £</b>	<b>£</b>	<b>Other support costs £</b>	<b>Total funds £</b>
Assist major religious investment funds to be more faith-consistent through investment in sustainable and environmental development		7,582	29,989	31,994	156,379
<b>Total for period ended 31 December 2019</b>		<u>2,045</u>	<u>13,048</u>	<u>1,834</u>	<u>53,098</u>

#### Basis of allocation

Reference	Method of allocation
A	All costs are allocated to the primary activity

### 7 Grant-making

#### Analysis of grants

The support costs associated with grant-making are £Nil (31 December 2019 - £Nil).

Below are details of material grants made to institutions



## Faithinvest

### Notes to the Financial Statements for the Year Ended 31 December 2020

Name of institution	Activity	2020 £	2019 £
Geneva Agape	Assist major religious investment funds	<u>38,292</u>	<u>30,152</u>

#### 8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

# Faithinvest

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	324,762	71,231
Social security costs	33,616	8,616
Pension costs	4,804	1,199
	<u>363,182</u>	<u>81,046</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Project management	2	2
Administration	3	1
	<u>5</u>	<u>3</u>

4 (2019 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £4,804 (2019 - £1,199).

The number of employees whose emoluments fell within the following bands was:

	2020 No	2019 No
£70,001 - £80,000	-	1
£100,001 - £110,000	1	1
£140,001 - £150,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the charity were £257,782 (2019 - £54,945).

### 10 Independent examiner's remuneration

	2019 £
<b>Other fees to examiners</b>	
The examining of accounts of any associate of the charity	<u>3,000</u>

# Faithinvest

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 12 Tangible fixed assets

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 January 2020	10,775	10,775
Additions	5,138	5,138
At 31 December 2020	15,913	15,913
<b>Depreciation</b>		
At 1 January 2020	1,119	1,119
Charge for the year	4,492	4,492
At 31 December 2020	5,611	5,611
<b>Net book value</b>		
At 31 December 2020	10,302	10,302
At 31 December 2019	9,656	9,656

### 13 Debtors

	2020 £	2019 £
Other debtors	7,173	185

### 14 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	2,997	571
Cash at bank	1,070,968	237,331
	1,073,965	237,902

# Faithinvest

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	-	312
Accruals	10,200	3,000
	<u>10,200</u>	<u>3,312</u>

### 16 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>				
General	<u>244,431</u>	<u>1,758,361</u>	<u>(921,552)</u>	<u>1,081,240</u>

	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>			
General	<u>446,463</u>	<u>(202,032)</u>	<u>244,431</u>

### 17 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2020 £
Tangible fixed assets	10,302	10,302
Current assets	1,081,138	1,081,138
Current liabilities	<u>(10,200)</u>	<u>(10,200)</u>
Total net assets	<u>1,081,240</u>	<u>1,081,240</u>

## Faithinvest

### Notes to the Financial Statements for the Year Ended 31 December 2020

	<b>Unrestricted funds General £</b>	<b>Total funds at 31 December 2019 £</b>
Tangible fixed assets	9,656	9,656
Current assets	238,087	238,087
Current liabilities	<u>(3,312)</u>	<u>(3,312)</u>
Total net assets	<u>244,431</u>	<u>244,431</u>

#### 18 Related party transactions

There were no related party transactions in the year.

## Faithinvest

### Statement of Financial Activities by fund for the Year Ended 31 December 2020

#### Unrestricted Funds

	Total Unrestricted Funds 2020 £	Total Unrestricted Funds 2019 £
<b>Income and Endowments from:</b>		
Donations and legacies	1,758,159	446,332
Investment income	<u>202</u>	<u>131</u>
Total income	<u>1,758,361</u>	<u>446,463</u>
<b>Expenditure on:</b>		
Charitable activities	<u>(921,552)</u>	<u>(202,032)</u>
Total expenditure	<u>(921,552)</u>	<u>(202,032)</u>
Net income	<u>836,809</u>	<u>244,431</u>
Net movement in funds	836,809	244,431
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>244,431</u>	<u>-</u>
Total funds carried forward	<u><u>1,081,240</u></u>	<u><u>244,431</u></u>

## Faithinvest

### Detailed Statement of Financial Activities for the Year Ended 31 December 2020

	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>		
Donations and legacies (analysed below)	1,758,159	446,332
Investment income (analysed below)	<u>202</u>	<u>131</u>
Total income	<u>1,758,361</u>	<u>446,463</u>
<b>Expenditure on:</b>		
Charitable activities (analysed below)	<u>(921,552)</u>	<u>(202,032)</u>
Total expenditure	<u>(921,552)</u>	<u>(202,032)</u>
Net income	<u>836,809</u>	<u>244,431</u>
Net movement in funds	836,809	244,431
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>244,431</u>	<u>-</u>
Total funds carried forward	<u><u>1,081,240</u></u>	<u><u>244,431</u></u>

# Faithinvest

## Detailed Statement of Financial Activities for the Year Ended 31 December 2020

	Total 2020 £	Total 2019 £
<b><i>Donations and legacies</i></b>		
Donations - Alliance of Religions and Conservation	14,285	-
Grants - Porticus / Benevolentia Stitching	1,352,245	446,332
Grants - WWF-UK	207,250	-
Grants - Vatican / Dicastery	35,416	-
Grants - GHR Alder Management	148,963	-
	<u>1,758,159</u>	<u>446,332</u>
<b><i>Investment income</i></b>		
Interest on cash deposits	202	131
	<u>202</u>	<u>131</u>
<b><i>Charitable activities</i></b>		
Direct costs	(383,020)	(67,961)
Wages and salaries - activity undertaken directly	(254,667)	(41,730)
Staff NIC (Employers) - activity undertaken directly	(27,089)	(5,249)
Staff pensions (Defined contribution) - activity undertaken directly	(3,116)	(779)
Events	(58,989)	(2,014)
Grants payable - institutions	(38,292)	(30,152)
Wages and salaries - support costs	(70,095)	(29,501)
Staff NIC (Employers) - support costs	(6,527)	(3,367)
Staff pensions (Defined contribution) - support costs	(1,688)	(420)
Rent	(29,989)	(13,048)
Telephone and fax	(672)	(1,962)
Office expenses	(6,909)	(83)
Computer software and maintenance costs	(1,920)	-
Travel and subsistence	(5,666)	(715)
Promotional expenses	(15,660)	-
Accountancy fees	(3,600)	-
Consultancy fees	-	(1,049)
Legal and professional fees	(2,577)	-
Bank charges	(39)	117
Depreciation of office equipment	(4,492)	(1,119)
Foreign currency (gains)/losses	55	-
The audit of the charity's annual accounts	(6,600)	-
Independent examiner's fee	-	(3,000)
	<u>(921,552)</u>	<u>(202,032)</u>

This page does not form part of the statutory financial statements.