

The Queen Victoria Clergy Fund

COUNCIL'S REPORT

For the year ended 30 June 2022

THE COUNCIL OFFICERS AND ADVISERS

COUNCIL

Canon Peter Bruinvels, *Chairman*

Anthony Allwood, (*Deputy Chairman* from 8 February 2022)

John Brydon (appointed 8 February 2022)

Rosemary Lyon

Canon Robert Perry (appointed 8 February 2022)

Mary Talbot (appointed 8 February 2022)

David Mills, *Deputy Chairman* (retired 8 February 2022)

David Ashton (retired 8 February 2022)

Canon David Froude (retired 8 February 2022)

Canon Dr Adanna Lazz-Onyenobi (retired 8 February 2022)

William Seddon (retired 8 February 2022)

SECRETARY

Stephanie Maurel

REGISTERED OFFICE AND PRINCIPAL OFFICE

Church House
Great Smith Street
London SW1P 3AZ

REGISTERED CHARITY NUMBER 213258

MANAGERS

The Corporation of the Church House
Church House
Great Smith Street
London SW1P 3AZ

BANKERS

Barclays Bank plc
Abbey Branch
2 Victoria Street
London SW1H 0ND

INVESTMENT MANAGERS

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

AUDITORS

Lovewell Blake
First Floor Suite
2 Hillside Business Park
Bury St Edmunds IP32 7EA

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2022

The Council presents its annual report and audited financial statements for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

CONSTITUTION AND OBJECTS

The Queen Victoria Clergy Fund was constituted by Royal Charter on 7 December 1897 and supplemental charters of 5 September 1924, 29 June 1942 and 19 July 2005. The registered Charity number is 213258 and its principal office is Church House, Great Smith Street, London SW1P 3AZ.

The objects of the Fund are the relief of need, hardship and distress among the clergy of the Church of England and their families and dependants, in particular (but not exclusively) by the payment of grants to the diocesan organisations with similar objects, and generally to advance religion by advancing the charitable work of the Church of England through providing material support to its clergy. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's objectives and in planning future activities and setting the grant making policy for the year.

GOVERNANCE

The membership of the Fund consists of forty-two members, one lay member being nominated to serve for five years by each diocese of the Church of England following each election of members to General Synod. At the Annual General Meeting held in February 2022, the members elected a Council of six members from amongst their number, to serve for a term of five years.

The Council wishes to record its appreciation and gratitude to the outgoing Council members who retired at the end of their terms – extended by a period of one year as a consequence of the COVID pandemic - in February 2022.

At their meetings the Council agrees the broad strategy and areas of activity for the fund, including consideration of grant making, investment and risk management policies and performance. All trustees give of their time freely and no trustee remuneration is paid. Details of trustee expenses and related party transactions are disclosed in note 16 to the accounts.

Trustee induction and training

New Council members are inducted into the workings of the Fund, including Council policy and procedures, at an initial meeting with the Secretary, and also receive a copy of the Charity Commission guidance on the roles and responsibilities of Trustees. Members are forwarded updates from the Charity Commission and details of appropriate training courses.

Professional advisors

The Council previously resolved to review the appointment of each of its professional advisors formally during each quinquennium. As reported previously, the planned review of the investment manager was completed in August 2021 and the views expressed and recommendations made, reported to the Council. at their next meeting. The Council considers that all three advisors continue to fulfil their individual terms of reference and remains satisfied that no change is necessary at this time.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2022

GRANT MAKING POLICY

The grant making policy aims to achieve its objects for public benefit by the relief of need, hardship and distress among the clergy of the Church of England. The Fund makes an annual block grant to each diocese (the apportionment between dioceses being decided each year by the Council of the Fund) to be allocated by the diocese in accordance with the objects of the Fund. The formula for making the annual distribution to dioceses, reviewed each year by the Council, takes into account the number of incumbencies in each diocese and the number of parishes in areas designated by the Government as experiencing multiple deprivation.

REVIEW OF THE YEAR

The charity exists for the relief of hardship among the clergy, enabling them to carry out their duties in the advancement of religion. Beneficiaries are given discretion to use the funds provided by the charity for any purpose that fulfils our charitable objects. Examples of how the charity's funding was used during the year under review include contributions towards emergency housing repair costs, funding of medical assessments and associated treatments, assistance with counselling costs and support for respite care.

The Fund generated a total deficit in the year of £417,803 after accounting for unrealised losses on investments of £375,404. By comparison, in the year to 30 June 2021 the Fund generated a surplus of £498,231 after accounting for unrealised gains on investments of £516,926.

In the year to 30 June 2022, the capital value of the Fund's portfolio decreased by £411,187 (2021: increased by £505,053). It is pleasing to report that the income target set for 2022 was met.

During the year, the fund distributed £165,000 (2021: £150,000) to the dioceses in furtherance of the charity's aims. To achieve this level of distribution, and reflecting the decision reached by the Council during 2013 to adopt a total return approach, undistributed income from the previous year's activities was supplemented by £39,000 (2021: £14,100) from the sale of investments. It is anticipated that investments of around £44,500 will be sold to meet the income shortfall in the 2021/22 financial year and to maintain the increased level of distribution. In considering the amount of capital transferred to income, the Council balances the current needs of beneficiaries with the likely needs of future beneficiaries.

FUTURE PLANS

The Council intends to continue and, if possible, increase its annual grants to dioceses to enable them to give further support to clergy in need. The Council has resolved to maintain total grant distributions in 2022/23, including the additional £15,000 awarded for 2020/21 reflecting the impact of the COVID pandemic, of £165,000.

INVESTMENT POLICY

Following a review of the Investment Policy, the Council agreed to change the composite benchmark with effect from 1 July 2021 to 7.5% ICE BofAML Sterling Corporate Bond Index; 7.5% ICE BofAML Gilts All Stocks Index; 10% MSCI AC World (ex UK) (local currency) £ Index; 40% MSCI AC World (ex UK) (Net Total Return) Index; 5% MSCI All Balanced Property Funds Index (1 Quarter lagged); 20% MSCI UK IMI (Net Return) Index; 10% SONIA +2%.

The long-term investment objective remains to achieve a total return of inflation (UK CPI) + 4% coupled with a medium-risk approach with the aim of generating sufficient levels of income and capital growth to enable the real value of grants and the real capital value of the Fund's assets to be at least maintained.

It was also agreed that funds should continue to be invested in line with the Statement of Ethical Investment Policy issued by the Church of England Ethical Investment Advisory Group.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2022

INVESTMENT PERFORMANCE

Over the twelve months to 30 June 2022, the Fund's return, net of fees, was -5.0%. This compares to the ARC Steady Growth Peer Group return of -5.7% and composite benchmark return of -3.1% over the same period. The Fund's returns over 3 and 5 years are +5.3% p.a. and +5.5% p.a. respectively. This is ahead of the peer group returns of +2.9% p.a. and +3.7% p.a. respectively, but slightly behind the composite benchmark returns, which do not include fees, of +5.5% and +5.8% p.a.. While the Fund has made a 'real' return in excess of inflation over three and five years, with UK inflation running at its highest level in 40 years and few assets outside a selection of commodities generating positive returns in the first half of 2022, the Fund's five year performance has fallen behind its long term UK CPI +4% target, which has risen +7.3% p.a. Over ten years the Fund's performance remains ahead of its long-term target having generated total returns of +7.8% p.a. against UK CPI +4% of +6.4% p.a.

Against a backdrop of above-average returns generated by the Fund in the calendar years of 2019, 2020 and 2021 of +19.7%, +9.7% and +10.3% respectively, the first half of 2022 has proven to be a much more challenging environment. While 2021 closed out a third successive year of double-digit returns for global equity markets, with performance again dominated by large US technology companies, momentum quickly changed in Q1 2022 as expectations of rising interest rates to counter high inflation led to a steep decline in bond and equity markets. A large portion of the overall Fund's relative underperformance over the twelve month period can be attributed to the lack of oil and gas exposure within the Fund's equities. Energy prices rose sharply due to supply constraints as a result of the Russian invasion of Ukraine. The Fund's equities over twelve months generated a return of -5.1%, against the equity index return of -2.1% which, with its strategic allocation to UK equities of 20% of the portfolio, is difficult to outperform when 'old industry' stocks, and those within ethically excluded sectors such as tobacco, alcohol, and defence are rising. Combined, these sectors represent nearly a quarter of the UK index.

Elsewhere in the portfolio, fixed income fared worse than equities, falling -13.8% against the index return of -14.0%. We have maintained a tactical underweight in fixed income against the composite benchmark, helping to minimise the negative impact to the portfolio. Elsewhere, commercial property has continued to bounce back from the pandemic, generating a robust total return over twelve months of +21.5%. Alternative investments also contributed positively, producing a total return of +12.0% over twelve months, demonstrating the value of diversifying outside of conventional asset classes. We continue to expand our opportunity set within this asset class to help provide ballast to the portfolio in uncertain times for equity and bond markets.

Investment performance continues to be monitored and reviewed regularly and the Council meets with the investment managers at least once a year.

As at 9 September 2022 the investments were valued at £4,709,545.

RESERVES AND DISTRIBUTION POLICY

The majority of distributions should be met by a reliable and sustainable stream of investment income that grows at least in-line with inflation but is supplemented, as appropriate, by capital from the sale of investments. Given that grants are paid in arrears, from investment income generated in the previous year and held mainly in liquid investments, the Council has no liquidity reason to maintain cash reserves over and above income received.

At 30 June 2022 total funds of the Council amounted to £4.72m (2021: £5.14m). Of this, £4.59m (2021: £5.00m) is represented by the value of long-term investments. The underlying yield of the Fund's portfolio was 2.9% as at 30 June 2022 (2021: 2.9%).

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2022

RISK MANAGEMENT

The Council has identified that the major risks of the QVCF are to be unable to maintain and grow the inflation-adjusted value of distributions and the capital value of the Fund over the long term. These risks, which relate to: volatility of security markets; general economic conditions; investment management performance; market sentiment; and attitude to risk are mitigated by maintaining a diversified portfolio; regularly reviewing investment performance; and regular dialogue with investment advisers.

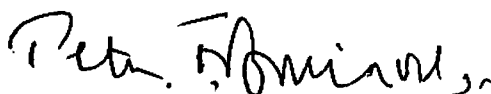
Stock market volatility and continuing global economic uncertainty continue to make the management of the Fund's investments somewhat challenging. The charity is a long-term investor and the trustees, on professional advice, remain of the opinion that a mixed portfolio of equities, bonds, cash and other investments remains appropriate to its risk profile.

The Council, through the process of continuous review and regular dialogue with its investment managers, is content that a total return approach is the most appropriate to mitigate risks associated with investment performance and potential impact in relation to the investment, and distribution, of the Fund's assets. The total return strategy should enable the Fund to increase its distributions over the long term but may engender a higher level of short and medium-term volatility. It is anticipated by the Council that there may be circumstances in which the capital element of our annual distribution may be reduced.

TRUE AND FAIR OVERRIDE

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice from 1 April 2005 which has since been withdrawn.

Signed on behalf of the Council on 7 February 2023.



Canon Peter Bruinvels
Chairman

The Queen Victoria Clergy Fund

COUNCIL'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

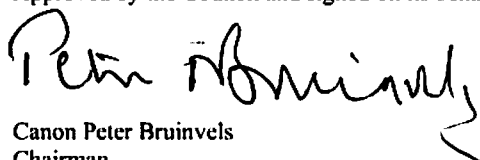
The Council is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Council is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP 2019 (FRS102);
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Charities Act 2011, the charities (Accounts and Reports) Regulations 2008 and the provision of the constitution. The Council is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council and signed on its behalf on 7 February 2023.



Canon Peter Bruinvels
Chairman

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE QUEEN VICTORIA CLERGY FUND

For the year ended 30 June 2022

Opinion

We have audited the financial statements of The Queen Victoria Clergy Fund (the 'charity') for the year ended 30 June 2022 which comprise of 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 charity's affairs as at 30 June 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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 Council's 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE QUEEN VICTORIA
CLERGY FUND (continued)
For the year ended 30 June 2022

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of financial statements which 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

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE QUEEN VICTORIA
CLERGY FUND (continued)
For the year ended 30 June 2022

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

Lovewell Blake LLP

Lovewell Blake LLP

Chartered accountants & statutory auditor

24/03/2023

First Floor Suite
2 Hillside Business Park
Bury St Edmunds
IP32 7EA

Lovewell Blake LLP is eligible to act as a auditor in terms of Section 1212 of the Companies Act 2006

The Queen Victoria Clergy Fund

BALANCE SHEET

As at 30 June 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	3	4,591,370	5,002,557
CURRENT ASSETS			
Cash at bank and on deposit	5	101,121	106,921
Debtors	6	33,906	34,152
		135,027	141,073
Creditors: Amounts falling due within one year	7	(4,472)	(3,902)
NET CURRENT ASSETS		130,555	131,171
NET ASSETS		4,721,925	5,139,728
REPRESENTED BY:			
Unrestricted funds	8	4,238,740	4,617,681
Endowment funds	9	483,185	522,047
Total funds		4,721,925	5,139,728

The financial statements on pages 10 to 20 were approved by the Council and authorised for issue on 7 February 2023 and signed on its behalf by:

Chairman 

Trustee 

Secretary 

The Queen Victoria Clergy Fund

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2022

	<i>Notes</i>	Unrestricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
INCOME AND EXPENDITURE					
Income from:					
Income on investments		119,267	13,772	133,039	139,936
Interest on deposit		16	-	16	32
Total income		<u>119,283</u>	<u>13,772</u>	<u>133,055</u>	<u>139,968</u>
Expenditure on:					
Charitable activities		175,897	441	176,338	159,557
Total expenditure	11	<u>175,897</u>	<u>441</u>	<u>176,338</u>	<u>159,557</u>
Net (expenditure) / income before transfers and gains / (losses)		(56,614)	13,331	(43,283)	(19,589)
Transfers between funds		13,331	(13,331)	-	-
Net (expenditure) after transfers and before gains / (losses)		<u>(43,283)</u>	<u>-</u>	<u>(43,283)</u>	<u>(19,589)</u>
Other gains and (losses)					
Realised gains on the disposal of investments		884	-	884	894
Unrealised (losses) / gains on market value of investments		(336,542)	(38,862)	(375,404)	516,926
Net movements in funds		<u>(378,941)</u>	<u>(38,862)</u>	<u>(417,803)</u>	<u>498,231</u>
Total funds brought forward 1 July 2021		<u>4,617,681</u>	<u>522,047</u>	<u>5,139,728</u>	<u>4,641,497</u>
Total funds carried forward 30 June 2022	8/9	<u>4,238,740</u>	<u>483,185</u>	<u>4,721,925</u>	<u>5,139,728</u>

All incoming resources and expended resources derive from continuing activities.
An analysis by fund of the comparative figures for 2021 is shown in note 10.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 GENERAL INFORMATION

The Charity is a registered charity in England and Wales and is incorporated by Royal Charter.

The address of the registered office is Church House, Great Smith Street, London SW1P 3AZ.

2 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011.

GOING CONCERN

The financial statements have been prepared on a going concern basis, as the Council believes that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

INVESTMENT INCOME

The Fund recognises income in the period in which it was earned consistent with the accruals basis.

EXPENDITURE

Expenditure together with any irrecoverable VAT is included on an accruals basis.

Grants payable are accounted for in the year when the offer is conveyed to the recipient.

Expenditure on charitable activities includes grants made and support costs.

INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Fund does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

2 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 market value at the year end and opening market value (purchase date if later).

FUNDS

There are no specific restrictions on the use of the Unrestricted Fund apart from the furtherance of the Charity's aims.

The endowments within the terms of the originating legacies are shown in note 9. Under the terms of the legacies any surplus income arising from these investments after specific donations is to be transferred to the General Fund to further the Charity's aims.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

INVESTMENTS

	2022 £	2021 £
3		
Market value at 1 July 2021	5,002,557	4,497,504
Additions	2,333	1,333
Disposals	(38,116)	(13,206)
Unrealised (loss) / gain in the year	(375,404)	516,926
Market value 30 June 2022	4,591,370	5,002,557
Historical cost as at 30 June 2022	2,729,108	2,747,713
Investments at market value comprised:		
Global equities	1,981,520	2,643,059
UK equities	925,951	994,931
Fixed interest securities	339,283	501,704
Property	667,837	452,225
Liquid assets	284,776	153,484
Alternative assets	392,003	257,154
	4,591,370	5,002,557

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

3 INVESTMENTS (continued)

All investments are listed UK securities, held in the Fund's investment portfolio managed and administered by Sarasin & Partners LLP. The primary objective of the investments held is to generate sufficient levels of annual income and capital growth to enable adequate levels of grant distributions to be maintained whilst achieving overall growth of the portfolio's capital value.

	2022 £	2021 £
4 REALISED GAIN ON SALE OF INVESTMENTS		
Sale proceeds from sale of investments	39,000	14,100
Less: original cost	(20,938)	(8,088)
Profit on original cost	18,062	6,012
Less: unrealised gain previously recognised	(17,178)	(5,118)
Realised gain on sale of investments	884	894
	2022 £	2021 £
5 CASH AT BANK AND ON DEPOSIT		
Barclays Bank Current account	3,030	1,030
Barclays Bank Base Rate Reward account	97,380	105,891
Sarasin & Partners Sterling Investment account	711	-
	101,121	106,921
	2022 £	2021 £
6 DEBTORS		
Accrued investment income and bank interest	33,906	34,152
	33,906	34,152

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

	2022 £	2021 £
7 CREDITORS: Amounts falling due within one year		
Grants payable	441	463
Accruals	4,031	3,439
	<u>4,472</u>	<u>3,902</u>
	<u><u>4,472</u></u>	<u><u>3,902</u></u>
8 UNRESTRICTED FUNDS	2022 £	2021 £
Balance brought forward 1 July 2021	4,617,681	4,172,963
(Deficit) for the year	(43,283)	(19,589)
Realised gain on sale of investments	884	894
Unrealised (loss) / gain in market value for the year	(336,542)	463,413
Balance carried forward 30 June 2022	<u>4,238,740</u>	<u>4,617,681</u>
	<u><u>4,238,740</u></u>	<u><u>4,617,681</u></u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

	30 June 2021 £	Market (loss) £	30 June 2022 £
9 ENDOWMENT FUNDS			
Priors Hardwick Trust	4,832	(360)	4,472
RA Clement Trust	48,899	(3,640)	45,259
Incumbents' Sustentation Fund	134,827	(10,037)	124,790
Endowment Capital Trust	2,799	(208)	2,591
Miss RLJ Stallard Bequest	110,998	(8,263)	102,735
Tithe Redemption Trust	24,767	(1,844)	22,923
AD Yorke Legacy	194,925	(14,510)	180,415
	<u>522,047</u>	<u>(38,862)</u>	<u>483,185</u>
	<u><u>522,047</u></u>	<u><u>(38,862)</u></u>	<u><u>483,185</u></u>

The endowments represent legacies given. Under the terms of the various endowments, unexpended income arising from the investments, after specific donations, is to be transferred to the Unrestricted Funds to further the aims of the Charity. For the year ended 30 June 2022 the transfer amounted to £13,331 (2021: £14,023).

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2022

10 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2021

	Unrestricted Funds £	Endowment Funds £	Total £
Income from:			
Income on investments	125,450	14,486	139,936
Interest on deposit	32	-	32
Total income	<u>125,482</u>	<u>14,486</u>	<u>139,968</u>
Expenditure on:			
Charitable activities	159,094	463	159,557
Total expenditure	<u>159,094</u>	<u>463</u>	<u>159,557</u>
Net (expenditure) / income before transfers and gains	(33,612)	14,023	(19,589)
Transfers between funds	14,023	(14,023)	-
Net (expenditure)/ income after transfers and before gains	<u>(19,589)</u>	<u>-</u>	<u>(19,589)</u>
Other gains and losses			
Realised gains on the disposal of investments	894	-	894
Unrealised gains on market value of investments	463,413	53,513	516,926
Net movements in funds	<u>444,718</u>	<u>53,513</u>	<u>498,231</u>
Total funds brought forward	<u>4,172,963</u>	<u>468,534</u>	<u>4,641,497</u>
Total funds carried forward	<u><u>4,617,681</u></u>	<u><u>522,047</u></u>	<u><u>5,139,728</u></u>

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

11	EXPENDITURE ON CHARITABLE ACTIVITIES	Total 2022 £	Total 2021 £
	Direct Costs		
	Grants payable	165,441	150,463
	Support costs		
	Management fee	8,000	8,000
	Audit fees	3,342	3,458
	Legal and professional fees	(1,048)	(2,374)
	Other expenses	603	10
		176,338	159,557
12	GRANTS PAYABLE	2022 £	2021 £
	The amount payable in the year comprises:		
	Support to clergy -		
	42 grants (2021: 42) to dioceses (see below)	165,000	150,000
	5 grants (2021: 5) to Incumbents Sustentation Funds	441	463
		165,441	150,463

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

13	SUMMARY OF BLOCK GRANTS TO DIOCESES	2022 £	2021 £
	Bath and Wells	3,504	3,144
	Birmingham	5,891	5,291
	Blackburn	5,939	5,355
	Bristol	2,431	2,225
	Canterbury	2,950	2,693
	Carlisle	2,284	2,081
	Chelmsford	5,876	5,289
	Chester	5,241	4,693
	Chichester	5,519	4,935
	Coventry	2,571	2,306
	Derby	2,968	2,677
	Durham	5,286	4,855
	Ely	2,677	2,435
	Europe	2,200	2,000
	Exeter	3,328	3,080
	Gloucester	1,779	1,612
	Guildford	2,532	2,257
	Hereford	1,600	1,371
	Leicester	2,211	1,983
	Lichfield	6,035	5,645
	Lincoln	4,412	3,952
	Liverpool	6,095	5,743
	London	8,104	7,224
	Manchester	8,824	8,001
	Newcastle	3,444	3,177
	Norwich	3,671	3,289
	Oxford	5,190	4,676
	Peterborough	2,681	2,484
	Portsmouth	2,502	2,467
	Rochester	3,377	3,064
	St Albans	3,502	3,209
	St Edmundsbury & Ipswich	2,065	1,887
	Salisbury	2,497	2,274
	Sheffield	5,182	4,758
	Sodor and Man	251	226
	Southwark	4,688	4,209
	Southwell	3,565	3,177
	Truro	1,941	1,774
	West Yorkshire & The Dales	9,132	8,339
	Winchester	2,786	2,515
	Worcester	1,834	1,677
	York	6,435	5,951
	Total	165,000	150,000

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

14	AUDITORS REMUNERATION		2022 £	2021 £
	Fees payable for the audit of the financial statements		3,342	3,458
		Unrestricted Funds	Endowment Funds	Total Funds
15	ANALYSIS OF NET ASSETS BETWEEN FUNDS			
	Investments	4,108,185	483,185	4,591,370
	Current assets	135,027	-	135,027
	Current liabilities	(4,472)	-	(4,472)
	Net assets at 30 June 2022	4,238,740	483,185	4,721,925
		Unrestricted Funds	Endowment Funds	Total Funds
	Investments	4,480,510	522,047	5,002,557
	Current assets	141,073	-	141,073
	Current liabilities	(3,902)	-	(3,902)
	Net assets at 30 June 2021	4,617,681	522,047	5,139,728
16	COUNCIL’S REMUNERATION, EXPENSES AND RELATED PARTY TRANSACTIONS			
	The council members all give their time and expertise freely without any form of remuneration or other benefit in cash or kind (2021: £nil). During the year ended 30 June 2022 £nil expenses were reimbursed to members of the Council (2021: £nil expenses were reimbursed to members of the Council).			
	During the year a grant was paid to Guildford diocese of £2,532 (2021: £2,257) - Council member Canon Peter Bruinvels is a trustee of Guildford Diocesan Board of Finance. Grants were also paid during the year to St Edmundsbury and Ipswich diocese of £2,065 (2021: £1,887) - Council member Anthony Allwood is a trustee of St Edmundsbury and Ipswich Diocesan Board of Finance and the Bristol diocese of £2,431 (2021: £2,225) – Council member Canon David Froude is a trustee. There were no other related party transactions.			
17	STAFF			
	The Charity does not have any employees (2021: Nil).			

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2022

18 TAXATION

The Queen Victoria Clergy Fund is a registered charity, and as such its income and gains falling within Section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable activities.

19 FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure		
Fixed asset listed investments (note 3)	4,591,370	5,002,557
