

The Queen Victoria Clergy Fund

COUNCIL'S REPORT

For the year ended 30 June 2023

THE COUNCIL OFFICERS AND ADVISERS

COUNCIL

Canon Peter Bruinvels, *Chairman*

Rosemary Lyon *Deputy Chairman*

Anthony Allwood, *Hon Treasurer*

John Brydon

Canon Robert Perry

Mary Talbot

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 2023

The Council (who are also considered to be the Trustees for the purposes of charity law) presents its annual report and audited financial statements for the year ended 30 June 2023.

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. This report covers the second of these five-year terms having been elected, at the Annual General Meeting held 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. Council 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 were 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 2023

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 and their families, 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 medical care, including dental care, support for respite care for parents with large caring responsibilities, assistance with repairs to modes of transport, including pedal bikes and support for repairing household appliances including boilers and showers.

The Fund generated a total deficit in the year of £12,239 after accounting for unrealised gains on investments of £30,361. By comparison, in the year to 30 June 2022 the Fund generated a deficit of £417,803 after accounting for unrealised losses on investments of £375,404.

In the year to 30 June 2023, the capital value of the Fund's portfolio increased by £21,947 (2022: decreased by £411,187).

During the year, the fund once again distributed £165,000 (2022: £165,000) to the dioceses in furtherance of the charity's aims, reflecting the cost of living crisis. 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 £9,700 (2022: £39,000) from the sale of investments. It is anticipated that investments of around £139,300 will be sold to meet the income shortfall in the 2022/23 financial year and to maintain the increased level of distribution. In considering the amount of capital transferred to income, the Council continues to balance the current needs of beneficiaries with the likely needs of future beneficiaries.

The trustees are most grateful for the presence and prayers of the Bishops of Coventry and Manchester at York over the previous year's meetings. They separately spoke positively about how the Queen Victoria Clergy Fund grants had made such a difference in their Diocese to clergy in need and personally thanked the Trustees and Council Members for their continued support.

Following a letter of congratulations to His Majesty King Charles III on his accession as the Council was meeting that same day and the accompanying book about the Queen Victoria Clergy Fund entitled 'A Centenary History', a pleasing response was received. The trustees are grateful for his patronage.

FUTURE PLANS

The Council intends to continue its annual grants to dioceses to enable them to give further support to clergy in need. The Council has resolved to offer total grant distributions in 2023/24, of £165,000.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2023

INVESTMENT POLICY

Following a review of the Investment Policy, the maintain with effect from 1 July 2021, the composite benchmark at 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.

INVESTMENT PERFORMANCE

Over the twelve months to 30 June 2023, the Fund's return, net of fees, was +3.8%. This compares to the ARC Steady Growth Peer Group return of +3.2% and composite benchmark return of +6.3% over the same period. The Fund's returns over 3 and 5 years are +4.3% p.a. and +5.3% p.a. respectively. This is ahead of the peer group returns of +4.3% p.a. and +3.2% p.a. respectively, but slightly behind the composite benchmark returns, which do not include fees, of +6.5% and +5.8% p.a. With UK inflation still running much higher than average for the second year in a row, the Fund's five-year performance has fallen behind its long-term UK CPI + 4% target, which has achieved +8.6% p.a. Over ten years, the Fund's performance is only just behind of its long-term target having generated total returns of +6.5% p.a. against UK CPI +4% of +7.0% p.a.

Investment returns for the past 12 months have been a tale of two halves. With Russia's invasion of Ukraine early on in 2022 came rising inflation, which, added to the supply shock created by the COVID-19 pandemic, caused central banks to raise interest rates faster and higher than many had anticipated. This, along with mounting recessionary concerns, triggered falls across both equity and bond markets over the following months. MSCI ACWI (net total return) fell -6.8% in Q3, totalling -25.6% from the start of the year with UK Gilt index down -13.6% and -26.3% respectively.

October, by contrast, brought a sense of optimism as data releases began to imply that inflation was showing signs of nearing a peak. This optimism was further strengthened by the rapid reopening of China in early 2023 and falling wholesale gas prices in Europe. Since this point, and in spite of the many oscillations in sentiment and a banking crisis in Europe & the US in March, returns for equity investors have rebounded strongly. The resurgence has been led by a relatively narrow set of US listed technology companies, which have benefitted from the renewed excitement in large language models and the advances in machine learning. Predominantly as a result of this mega-cap tech surge, the net result for equities over the entire period was positive, with the MSCI ACWI (net total return) up +16.5%. The portfolios have benefitted from our continued focus on high quality businesses with strong balance sheets and meaningful pricing power, with companies like Merck & Co (diversified pharmaceuticals), National Instruments (software and hardware for engineers and scientists) and Broadcom (semiconductors and infrastructure software) contributing strongly to performance.

Your portfolio had limited exposure to fixed income in 2022; falling capital values have meant that the yields on offer, particularly from investment grade corporate bonds, look increasingly attractive. This has provided an opportunity to start adding back to positions, from half-weighted in September 2022, to neutral by the end of June.

As at 6 September 2023, the investments were valued at £4,670,861.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued) For the year ended 30 June 2023

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 2023 total funds of the Council amounted to £4.71m (2022: £4.72m). Of this, £4.61m (2022: £4.59m) is represented by the value of long-term investments. The underlying yield of the Fund's portfolio was 2.9% as at 30 June 2023 (2022: 2.9%).

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 26 February 2024.



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 Council's Report 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 Charities Act 2011, the charities (Accounts and Reports) Regulations 2018 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 26 February 2024.



Canon Peter Bruinvels
Chairman

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

For the year ended 30 June 2023

Opinion

We have audited the financial statements of The Queen Victoria Clergy Fund (the 'charity') for the year ended 30 June 2023 which comprise of the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including 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 2023, 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 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, 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 course of 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 themselves. 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 2023**

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 Council's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 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 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 the Act and relevant regulations made or having effect there under.

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 rationale of significant transactions outside the normal course of activities, 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 2023

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 is available 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

15/03/2024

Lovewell Blake LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of the Companies Act 2006

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



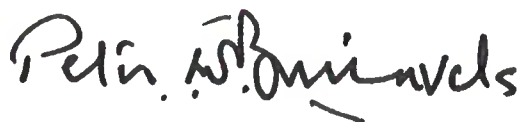
The Queen Victoria Clergy Fund

BALANCE SHEET

As at 30 June 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	3	4,613,317	4,591,370
CURRENT ASSETS			
Cash at bank and on deposit	5	73,305	101,121
Debtors	6	36,895	33,906
		110,200	135,027
Creditors: Amounts falling due within one year	7	(13,831)	(4,472)
NET CURRENT ASSETS		96,369	130,555
NET ASSETS		4,709,686	4,721,925
REPRESENTED BY:			
Unrestricted funds	8	4,216,457	4,238,740
Endowment funds	9	493,229	483,185
Total funds		4,709,686	4,721,925

The financial statements on pages 10 to 20 were approved by the Council and authorised for issue on 26 February 2024 and signed on its behalf by:



Chairman – Canon Peter Bruinvels

Trustee – Anthony Allwood



Secretary – Stephanie Maurel



The Queen Victoria Clergy Fund
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2023

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
INCOME AND EXPENDITURE					
Income from:					
Income on investments		118,955	13,736	132,691	133,039
Interest on deposit		773		773	16
Total income		<u>119,728</u>	<u>13,736</u>	<u>133,464</u>	<u>133,055</u>
Expenditure on:					
Charitable activities		<u>175,559</u>	<u>441</u>	<u>176,000</u>	<u>176,338</u>
Total expenditure	11	<u>175,559</u>	<u>441</u>	<u>176,000</u>	<u>176,338</u>
Net (expenditure) / income before transfers and gains / (losses)		(55,831)	13,295	(42,536)	(43,283)
Transfers between funds		<u>13,295</u>	<u>(13,295)</u>	<u>-</u>	<u>-</u>
Net (expenditure) after transfers and before gains / (losses)		(42,536)	-	(42,536)	(43,283)
Other gains and (losses)					
Realised (losses) / gains on the disposal of investments		(64)	-	(64)	884
Unrealised gains / (losses) on market value of investments		<u>20,317</u>	<u>10,044</u>	<u>30,361</u>	<u>(375,404)</u>
Net movements in funds		<u>(22,283)</u>	<u>10,044</u>	<u>(12,239)</u>	<u>(417,803)</u>
Total funds brought forward 1 July 2022		<u>4,238,740</u>	<u>483,185</u>	<u>4,721,925</u>	<u>5,139,728</u>
Total funds carried forward 30 June 2023	8/9	<u>4,216,457</u>	<u>493,229</u>	<u>4,709,686</u>	<u>4,721,925</u>

All incoming resources and expended resources derive from continuing activities.
An analysis by fund of the comparative figures for 2022 is shown in note 10.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 2023

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

	2023 £	2022 £
Market value at 1 July 2022	4,591,370	5,002,557
Additions	1,350	2,333
Disposals	(9,764)	(38,116)
Unrealised gain / (loss) in the year	30,361	(375,404)
Market value 30 June 2023	<u>4,613,317</u>	<u>4,591,370</u>
Historical cost as at 30 June 2023	<u>2,724,654</u>	<u>2,729,108</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

The investments above are held in the Sarasin Endowments Fund.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

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.

	2023 £	2022 £
4 REALISED GAIN ON SALE OF INVESTMENTS		
Sale proceeds from sale of investments	9,700	39,000
Less: original cost	(5,805)	(20,938)
Profit on original cost	3,895	18,062
Less: unrealised gain previously recognised	(3,959)	(17,178)
Realised (loss) / gain on sale of investments	(64)	884

	2023 £	2022 £
5 CASH AT BANK AND ON DEPOSIT		
Barclays Bank Current account	6,161	3,030
Barclays Bank Base Rate Reward account	482	97,380
Sarasin & Partners Sterling Investment account	66,662	711
	73,305	101,121

	2023 £	2022 £
6 DEBTORS		
Accrued investment income and bank interest	33,907	33,906
Prepayments	2,988	-
	36,895	33,906

For the year ended 30 June 2023

		2023 £	2022 £
7	CREDITORS: Amounts falling due within one year		
	Grants payable	441	441
	Accruals	13,390	4,031
		<u>13,831</u>	<u>4,472</u>
		<u><u>13,831</u></u>	<u><u>4,472</u></u>
8	UNRESTRICTED FUNDS	2023 £	2022 £
	Balance brought forward 1 July 2022	4,238,740	4,617,681
	(Deficit) for the year	(42,536)	(43,283)
	Realised (loss) / gain on sale of investments	(64)	884
	Unrealised gain / (loss) in market value for the year	20,317	(336,542)
	Balance carried forward 30 June 2023	<u>4,216,457</u>	<u>4,238,740</u>

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

9	ENDOWMENT FUNDS	30 June 2022 £	Market gain £	30 June 2023 £
	Priors Hardwick Trust	4,472	93	4,565
	RA Clement Trust	45,259	941	46,200
	Incumbents' Sustentation Fund	124,790	2,594	127,384
	Endowment Capital Trust	2,591	54	2,645
	Miss RLJ Stallard Bequest	102,735	2,136	104,871
	Tithe Redemption Trust	22,923	476	23,399
	AD Yorke Legacy	180,415	3,750	184,165
		<u>483,185</u>	<u>10,044</u>	<u>493,229</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 2023 the transfer amounted to £13,295 (2022: £13,331).

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

10 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2022

	Unrestricted Funds £	Endowment Funds £	Total £
Income from:			
Income on investments	119,267	13,772	133,039
Interest on deposit	16	-	16
Total income	<u>119,283</u>	<u>13,772</u>	<u>133,055</u>
Expenditure on:			
Charitable activities	175,897	441	176,338
Total expenditure	<u>175,897</u>	<u>441</u>	<u>176,338</u>
Net (expenditure) / income before transfers and gains	(56,614)	13,331	(43,283)
Transfers between funds	13,331	(13,331)	-
Net (expenditure)/ income after transfers and before gains	<u>(43,383)</u>	<u>-</u>	<u>(43,283)</u>
Other gains and losses			
Realised gains on the disposal of investments	884	-	884
Unrealised gains on market value of investments	(336,542)	(38,862)	(375,404)
Net movements in funds	<u>(378,941)</u>	<u>(38,862)</u>	<u>(417,803)</u>
Total funds brought forward	<u>4,617,681</u>	<u>522,047</u>	<u>5,139,728</u>
Total funds carried forward	<u><u>4,238,740</u></u>	<u><u>483,185</u></u>	<u><u>4,721,925</u></u>

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

11	EXPENDITURE ON CHARITABLE ACTIVITIES	Total 2023 £	Total 2022 £
	Direct Costs		
	Grants payable	165,441	165,441
	Support costs		
	Management fee	8,000	8,000
	Audit fees	3,742	3,342
	Legal and professional fees	(2,349)	(1,048)
	Other expenses	1,166	603
		<u>176,000</u>	<u>176,338</u>
12	GRANTS PAYABLE	2023 £	2022 £
	The amount payable in the year comprises:		
	Support to clergy -		
	43 grants (2022: 42) to dioceses (see below)	165,000	165,000
	5 grants (2022: 5) to Incumbents Sustentation Funds	441	441
		<u>165,441</u>	<u>165,441</u>

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

13	SUMMARY OF BLOCK GRANTS TO DIOCESES	2023 £	2022 £
	Bath and Wells	3,548	3,504
	Birmingham	5,854	5,891
	Blackburn	5,976	5,939
	Bristol	2,465	2,431
	Canterbury	2,320	2,950
	Carlisle	2,246	2,284
	Channel Islands	651	-
	Chelmsford	5,972	5,876
	Chester	5,276	5,241
	Chichester	5,540	5,519
	Coventry	2,571	2,571
	Derby	2,988	2,968
	Durham	5,283	5,286
	Ely	2,641	2,677
	Europe	2,200	2,200
	Exeter	3,315	3,328
	Gloucester	1,792	1,779
	Guildford	2,568	2,532
	Hereford	1,539	1,600
	Leicester	2,191	2,211
	Lichfield	6,003	6,035
	Lincoln	4,442	4,412
	Liverpool	6,057	6,095
	London	8,185	8,104
	Manchester	8,878	8,824
	Newcastle	3,466	3,444
	Norwich	3,588	3,671
	Oxford	5,227	5,190
	Peterborough	2,681	2,681
	Portsmouth	2,519	2,502
	Rochester	3,348	3,377
	St Albans	3,455	3,502
	St Edmundsbury & Ipswich	2,026	2,065
	Salisbury	2,479	2,497
	Sheffield	5,105	5,182
	Sodor and Man	253	251
	Southwark	4,722	4,688
	Southwell	3,589	3,565
	Truro	1,846	1,941
	West Yorkshire & The Dales	9,119	9,132
	Winchester	2,824	2,786
	Worcester	1,793	1,834
	York	6,459	6,435
	Total	165,000	165,000

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2023

14	AUDITORS REMUNERATION	2023 £	2022 £
	Fees payable for the audit of the financial statements	3,742	3,342

	Unrestricted Funds	Endowment Funds	Total Funds
15 ANALYSIS OF NET ASSETS BETWEEN FUNDS			
Investments	4,120,088	493,229	4,613,317
Current assets	110,200	-	110,200
Current liabilities	(13,831)	-	(13,831)
Net assets at 30 June 2023	<u>4,216,457</u>	<u>493,229</u>	<u>4,709,686</u>

	Unrestricted Funds	Endowment Funds	Total 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	<u>4,238,740</u>	<u>483,185</u>	<u>4,721,925</u>

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 (2022: £nil). During the year ended 30 June 2023 £nil expenses were reimbursed to members of the Council (2022: £nil expenses were reimbursed to members of the Council).

During the year a grant was paid to Guildford diocese of £2,568 (2022: £2,532) - 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 £2,026 (2022: £2,065) - Council member Anthony Allwood is a trustee of St Edmundsbury and Ipswich Diocesan Board of Finance, £2,200 (2022: £2,200) to Diocese of Europe - Council member Mary Talbot is a trustee and £1,846 (2022: £1,941) to Diocesan of Truro - Council member Canon Robert Perry is a trustee. There were no other related party transactions.

17 STAFF

The Charity does not have any employees (2022: Nil).

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2023

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:

	2023	2022
	£	£
Financial assets measured at fair value through income and expenditure		
Fixed asset listed investments (note 3)	4,613,317	4,591,370