

POOR VICARS' CHARITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees The Archbishop of Canterbury
 The Bishop of Ely

Charity Number 266091

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**POOR VICARS' CHARITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**POOR VICARS' CHARITY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees present the charity's accounts for the year ended 31 December 2022.

Structure, Governance and Management

The Charity is an unincorporated, grant making charity established by Act of Parliament. There are two designated trustees; The Archbishop of Canterbury and the Bishop of Ely.

The trustees meet annually to consider grant applications received; to review policies and procedures in line with recognised best practice for the Charity and to review reports of how previous grants have been expended.

The Trustees review all policy guidelines on an annual basis and make changes whenever necessary. The Trustees are aware of and have due regard for the guidance produced by the Charity Commission regarding Public Benefit.

Objectives and Activities

The principal objective of the charity is to provide financial support for 10 poor priests in the Diocese of Canterbury and 10 poor priests in the Diocese of Ely as advised and requested by the respective Diocesan Bishops. Through that to promote and assist with the work and purpose of the Church of England, for the advancement of the christian faith in the Diocese of Canterbury and the Diocese of Ely and beyond. The trustees believe that in being able to alleviate the stress and personal pressures brought about by reduced income levels, they are assisting the individual priests to focus on their vocation serving not only those who regularly attend church services and activities but the wider public in their parishes.

Grant making policy and procedure

The Trustees aim to distribute all the available income in any year evenly between the two beneficiaries.

Achievements and Performance

The trustees were able to maintain the provision for grants to each Bishop in the year. Since effecting the change in asset class of the charity's endowment the Trustees have been able to increase the real value of the asset base.

The trustees believe this will provide a strong platform to allow the charity to continue to be responsive to demands on its resources in years to come.

**POOR VICARS' CHARITY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial review

The year was characterised by volatility reflecting global fears of inflation following the pandemic. Over the period financial markets fell back and have continued the downwards trend in the first half of 2023. Concerns about liquidity lessened in the mid part of the year and as a result many companies have reversed previous cuts to dividends and investment managers have managed to increase income during the year. This meant that the total income received in the year was at the same level of grants approved in the same period. Any surplus funds in any one year will be retained and offered by trustees as top up grants in exceptional circumstances or retained for future investment.

Reserves Policy

The Charity is bestowed with a permanent endowment which is invested to produce an annual flow of income. From this the Trustees are authorised to make equal grants to poor vicars in the Dioceses of both Canterbury and Ely. The Trustees aim to distribute the available net income in each year. It is recognised however that in some years it will not be necessary to distribute entire net income earned in the year. In such instances, any operating surplus will be retained in a separate unrestricted fund and reinvested to produce additional contribution to the annual investment income achievable; at the year end this stood at £68,664.

The Trustees will review the level of reserves on an annual basis.

Investment Policy

The financial objective of the Charity is to at least maintain the "real value" of its capital assets, whilst generating a stable and sustainable income return to fulfil the Charity's grant making obligations. The Charity supports beneficiaries within the Church of England. The Trustees are mindful of the statements and recommendations issued by the Church of England Ethical Advisory Group. Investments are placed into multi-asset common investment funds.

The Charity seeks to produce the best financial return within an acceptable level of risk. The Charity's investment objective is to grow capital at a rate higher than inflation (as defined in the retail price index) and maintain a stable, growing income stream.

The Charity invests to reduce the potential risk to its capital endowment of the effects of long term inflation. Capital and income volatility can be tolerated if it is in line with expectations. The Trust assets are diversified through investment in multi-asset, common investment funds.

The Charity distributes income annually. The Charity is able to buy or sell units in the common investment fund on a weekly basis with settlement after four business days. Time horizon – the Charity's capital is permanent endowment. It therefore adopts a long term investment time horizon.

The Charity's asset value and income is monitored half yearly by the Charity Secretary. The Trustees review the investment performance of the common investment fund against its peers and the investment objective on an annual basis.

This investment policy statement was prepared to provide a framework for the management of the Poor Vicar's Charity's investment assets. It will be reviewed on an annual basis to ensure continuing appropriateness.

Plans for the Future

The Trustees aim to continue to offer direct support to beneficiaries. In the continuation of the war in Eastern Europe and ongoing issues with supply chains across the world have both contributed to a significant jump in inflation which continues to be further exacerbated by high fuel and energy costs. The latter continues to be a concern to the Trustees. While the stipend remains modest, they are particularly vulnerable to large increases in energy costs. The trustees will continue to monitor this situation closely particularly in the second half of the year as prices may again be more volatile. The trustees' goal is to be able to continue to provide grants to clergy to augment stipend payments where necessary to relieve stresses caused by financial issues. Through this it is hoped that priests will be able to better focus on their vocational commitment to the advancement of religious faith through the direct ministering to both congregation and the wider lay community within their cure of souls.

Signed on behalf of the Trustees

The Bishop of Ely

2023

**POOR VICARS' CHARITY
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2022, which are set out on pages 4 to 9.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (The Act)

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act: or
2. the accounts do not accord with these records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matter in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Graham Michael David Day FCA, DChA

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CB5 8DT

2023

POOR VICARS' CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Fund £	Endowment Funds £	Total 2022 £	Total 2021 £
Incoming from					
Investments	2	39,584	-	39,584	37,707
Total income		<u>39,584</u>	<u>-</u>	<u>39,584</u>	<u>37,707</u>
Expenditure on					
Charitable activities	3	40,540	-	40,540	37,540
Total Expenditure		<u>40,540</u>	<u>-</u>	<u>40,540</u>	<u>37,540</u>
Net income/(expenditure) before gains/(losses) on investments		(956)	-	(956)	167
Gains/(losses) on investments		(1,735)	(195,095)	(196,830)	198,776
Net income/(expenditure)		<u>(2,691)</u>	<u>(195,095)</u>	<u>(197,786)</u>	<u>198,943</u>
Transfer between funds		-	-	-	-
Net movement in funds		<u>(2,691)</u>	<u>(195,095)</u>	<u>(197,786)</u>	<u>198,943</u>
Fund Balances at 31 December 2021		71,355	1,529,753	1,601,108	1,402,165
Fund Balances at 31 December 2022		<u><u>68,664</u></u>	<u><u>1,334,658</u></u>	<u><u>1,403,322</u></u>	<u><u>1,601,108</u></u>

The Charity's incoming resources and net movement in funds relate to continuing activities.

**POOR VICARS' CHARITY
BALANCE SHEET
AS AT 31 DECEMBER 2022**

		2022		2021	
	Note	£	£	£	£
INVESTMENTS	6		1,323,706		1,520,536
CURRENT ASSETS					
Debtors and prepayments	7	9,752		9,515	
CCLA deposit fund		73,940		74,593	
		<u>83,692</u>		<u>84,108</u>	
CURRENT LIABILITIES					
Creditors due within one year	8	<u>4,076</u>		<u>3,536</u>	
NET CURRENT ASSETS			79,616		80,572
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,403,322</u>		<u>1,601,108</u>
FUNDS					
Endowment	9		1,334,658		1,529,753
Unrestricted	9		68,664		71,355
			<u>1,403,322</u>		<u>1,601,108</u>

The accounts were approved on: 2023

The Bishop of Ely
Trustee

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention except for investments, which are included at market value, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice "Accounting and Reporting by Charities" FRS 102 (2019).

1.2 Going concern basis

The Trustees consider that the going concern basis is appropriate as they consider the reserves levels and expected investment income to be at sufficient levels to ensure that the Trustees can meet their financial obligations for the next 12 to 18 months and on that basis the Charity is a going concern, in arriving at this conclusion the Trustees have considered the potential impact of the current global pandemic known as COVID-19.

1.3 Financial Reporting Standard 102 - reduced disclosure exemptions

The Trustees have taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102:

- the requirement of Section 7 Statement of Cash Flows.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Board is legally entitled to them as income or capital respectively, ultimate receipt is reasonably certain and the amount to be recognised can be quantified with reasonable accuracy.

1.5 Resources expended

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the SOFA category.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of the Trustees, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Investments

Investments are included at market value.

1.7 Taxation

The Trust is a registered charity in the United Kingdom and no taxation is payable on its income.

	Unrestricted funds	Endowment funds	Total 2022	Total 2021
	£	£	£	£
Investment income				
Dividend income	38,545		38,545	37,668
Interest receivable	1,039	-	1,039	39
	<u>39,584</u>	<u>-</u>	<u>39,584</u>	<u>37,707</u>

POOR VICARS' CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3 EXPENDITURE ON CHARITABLE ACTIVITIES

	Grants payable	Activities Undertaken Directly	Support Costs	Total 2022	Total 2021
	£	£	£	£	£
Relief of poverty	40,000	-	540	40,540	37,540
	<u>40,000</u>	<u>-</u>	<u>540</u>	<u>40,540</u>	<u>37,540</u>

4 SUPPORT COSTS

	Total 2022	Total 2021
	£	£
Governance costs:		
Independent Examiner's fee	540	540
Trustees' expenses	-	-
	<u>540</u>	<u>540</u>

5 TRUSTEES

During the year trustees received expenses totalling £nil (2021: £nil).

6 INVESTMENTS

	Unrestricted Investments	Endowment Investments	Total
	£	£	£
Market value as at 1 January 2022	12,927	1,507,609	1,520,536
Additions in year	-	-	-
Disposals in year	-	-	-
Revaluation in year	(1,735)	(195,095)	(196,830)
Market value as at 31 December 2022	<u>11,192</u>	<u>1,312,514</u>	<u>1,323,706</u>

Invested in:

Central Board of Finance (CCLA)

Fixed interest securities fund	11,192	
Investment fund		642,631
Global fund		669,883
	<u>11,192</u>	<u>1,312,514</u>

POOR VICARS' CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7 DEBTORS	Total 2022 £	Total 2021 £
Other debtors	-	-
Accrued income	9,752	9,517
Prepayments	-	-
	<u>9,752</u>	<u>9,517</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Total 2022 £	Total 2021 £
Other creditors	3,596	3,056
Accruals and deferred income	480	480
	<u>4,076</u>	<u>3,536</u>

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments	Net current assets	Total 2022	Total 2021
	£	£	£	£
Endowment fund	1,312,514	22,144	1,334,658	1,529,753
Unrestricted funds	11,192	57,472	68,664	71,355
	<u>1,323,706</u>	<u>79,616</u>	<u>1,403,322</u>	<u>1,601,108</u>

10 FUNDS

Endowment fund

The endowment fund is a permanent endowment fund currently invested in CCLA investment and global fund units, the income of which is to be used to provide financial support for 10 poor vicars in the Diocese of Canterbury and 10 poor vicars in the Diocese of Ely.

POOR VICARS' CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11 Comparatives for the Statement of Financial Activities

	Note	Unrestricted Fund £	Endowment Funds £	Total 2021 £
Income from:				
Investments	2	37,707	-	37,707
Total income		<u>37,707</u>	<u>-</u>	<u>37,707</u>
Expenditure on:				
Charitable activities	3	37,540	-	37,540
Total Expenditure		<u>37,540</u>	<u>-</u>	<u>37,540</u>
Net income/(expenditure) before gains/(losses) on investments		167	-	167
Gains/(losses) on investments		(920)	199,696	198,776
Net income/(expenditure)		<u>(753)</u>	<u>199,696</u>	<u>198,943</u>
Transfer between funds		-	-	-
Net movement in funds		<u>(753)</u>	<u>199,696</u>	<u>198,943</u>
Fund Balances at 31 December 2020		72,108	1,330,057	1,402,165
Fund Balances at 31 December 2021		<u><u>71,355</u></u>	<u><u>1,529,753</u></u>	<u><u>1,601,108</u></u>