

DIOCESE OF IRAN TRUST FUND REPORT AND ACCOUNTS

For the year ended 31 March 2021

Registered Charity No. 299104

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Legal Status

The Diocese of Iran Trust Fund is constituted under a Declaration of Trust Deed dated 9 March 1988 and is a registered charity, No 299104.

Trustees of the Diocese of Iran Trust Fund

Mr J M Clark (Chair)	
Rt Revd Dr G Francis-Dehqani	
Rt Revd Dr M Nazir-Ali	(Resigned 11 October 2021)
Mrs B Shaw	(Resigned 24 November 2020)
Canon J Stewart	
Mr C Walker	
Revd P Simpson	

Principal Office Address

Diocese of Iran Trust Fund
c/o Church Mission Society
Watlington Road
Oxford
OX4 6BZ

Investment managers

UBS Wealth Management
UBS AG, London Branch
1 Finsbury Avenue
London
EC2M 2AN

Independent Examiner

Andrew Churchill Stone – FCA DChA
Mercer Lewin
41 Cornmarket Street
Oxford
OX1 3HA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report, along with the financial statements of the charity, for the year ended 31 March 2021.

Structure, Governance and Management

The Diocese of Iran Trust Fund is constituted under a Declaration of Trust Deed dated 9 March 1988 and is a registered charity, No 299104.

The Trustees of the Diocese of Iran Trust Fund are shown on page 1.

According to the Trust Deed, the power of appointing new Trustees is vested in the Trustees. The Trustees review their membership at their annual meetings and consider possible new Trustees to replace those who resign or otherwise leave the Board. New Trustees are briefed on the purpose and history of the fund.

At the annual Trustees' meeting, the Trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The fund is administered on behalf of the Trustees by the Church Mission Society.

Objectives, activities, achievements and performance

The object of the Trust as set out in its Declaration of Trust is as follows: 'To promote such religious, educational and other charitable purposes within or in connection with the Anglican Diocese of Iran as the Trustees may in their absolute discretion determine'.

The Trustees have taken account of the Charity Commission's guidance on public benefit in considering the activities that the charity should undertake. During the year the Trustees were in touch with the Anglican Diocese of Iran through the Archbishop of Cyprus and the Gulf, who, in the absence of a Bishop in Iran is the principal contact for the Trustees and who carries responsibility for the oversight of the life and ministry of the Anglican community in Iran. The Trustees have been requested to continue their policy of investing surplus funds until they can be effectively used for the work of the Diocese of Iran and to deliver public benefit. The Trustees consider that the grants made during the year have been made to further the purposes of the charity and are for the public benefit.

Risk management

The Trustees continue to meet on an annual basis to receive accounts and to review the position of the Trust. At their meetings the Trustees consider the major risks to which the charity is exposed and review the systems and procedures in place to manage those risks. For example, the financial assets are in the care of a highly respected firm of investment managers who have been given clear investment policy instructions.

Financial review and reserves policy

The attached financial statements show the state of the Trust's finances and accounting policies being followed as at the end of March 2021.

The Trustees' reserves policy is to ensure that they hold sufficient funds to meet foreseeable requests from the Diocese for its work and ministry.

Investment policy and performance

The Trustees have the authority to invest the monies of the Diocese of Iran Trust Fund not immediately required, in such investments as they think fit.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020 (continued)

The Trustees have delegated the day-to-day management of the Diocese of Iran Trust Fund's investment portfolio to UBS AG, London Branch. The investment manager's delegated authority is operated in accordance with a Statement of Investment Principles, which includes details of the ethical investment policy and states that no investments are knowingly to be made in brewing, armaments, tobacco, gaming or companies dealing in pornography.

The legal title of the investments is held on behalf of the Trust by the Custodian. For UK registered investments the Custodian is UBS Private Banking Nominees Limited. Overseas investments are held in custody by agents abroad, arranged through UBS Zurich. The Trustees' instructions to the Advisers are that the funds should be held in a well-balanced portfolio encompassing most sectors, but excluding companies whose activities run contrary to the aims and objectives of the Trustees. The performance of the investment portfolio is monitored against a benchmark that has been set for the Trust's investments.

As at 31 March 2021, the Diocese of Iran Trust Fund had investments of £2.73m (2020: £2.20m). Further details of investments can be found in note 7 of the accounts. The trustees have been monitoring the impact of COVID-19 on the investments and despite a significant reduction in the investment value immediately following the pandemic in March 2020 the majority of that loss had been recouped by November 2020 and by March 2021, the investments had seen significant capital growth.

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

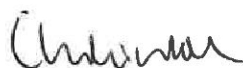
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing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

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

The Trustees are 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are 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.

Approval

This report was approved by the Trustees on 1 December 2021 and signed on their behalf by Mr C Walker.



Mr C Walker – Trustee

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

		Year ended 31 March 2021			Year ended 31 March 2020		
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income from:							
Investments	3	63,995	10,281	74,276	64,227	10,249	74,476
Other income	11,13	30,049	4,827	34,876	-	194	194
Total income		94,044	15,108	109,152	64,227	10,443	74,670
Expenditure on:							
Raising funds							
Investment management costs		20,662	3,320	23,982	22,899	3,654	26,553
Charitable activities							
Grants	4	-	-	-	7,972	-	7,972
Support and governance costs	5	3,678	-	3,678	3,745	-	3,745
		3,678	-	3,678	11,717	-	11,717
Total expenditure		24,340	3,320	27,660	34,616	3,654	38,270
Net income/(expenditure) before gains and losses on investments		69,704	11,788	81,492	29,611	6,789	36,400
Net gains / (losses) on investments		431,350	69,296	500,646	(276,145)	(44,066)	(320,211)
Net income/(expenditure)		501,054	81,084	582,138	(246,534)	(37,277)	(283,811)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		501,054	81,084	582,138	(246,534)	(37,277)	(283,811)
Total funds brought forward		1,922,112	308,786	2,230,898	2,168,646	346,063	2,514,709
Total funds carried forward		2,423,166	389,870	2,813,036	1,922,112	308,786	2,230,898

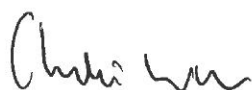
The accompanying notes are an integral part of this Statement of Financial Activities. All gains and losses arising in the year relate to continuing activities.

BALANCE SHEET
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	7	2,728,507	2,206,687
		2,728,507	2,206,687
Current assets			
Debtors	8	91,518	34,154
		91,518	34,154
Liabilities			
Creditors: amounts falling due within one year	9	(6,989)	(9,943)
Net current assets		84,529	24,211
Net assets		2,813,036	2,230,898
The funds of the charity:			
Unrestricted funds		2,423,166	1,922,112
Restricted funds	11	389,870	308,786
Total charity funds	10	2,813,036	2,230,898

The accompanying notes are an integral part of this Balance Sheet.

The financial statements on pages 4 to 11 were approved by the Trustees on 1 December 2021 and signed on their behalf by:



Mr C Walker – Trustee

NOTES TO THE ACCOUNTS

At 31 March 2021

1 ORGANISATION

The Diocese of Iran Trust Fund is a registered charity (registered number 299104). The financial statements represent activities of Diocese of Iran Trust Fund for the year ended 31 March 2021.

2 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments that are included at a current market value where this is available.

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

The Diocese of Iran Trust Fund constitutes a public benefit entity as defined by FRS 102.

Assessment of going concern

Having reviewed the financial position including the impact of the Covid-19 on Investment performance, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

Fund accounting and the allocation of income and expenditure by fund

Income and Expenditure are allocated to two categories of funds: Unrestricted Funds and Restricted Funds. Unrestricted funds are available for use to further the Charity's general purposes and objectives. All income and expenditure associated with the general operation of the Charity has been dealt within the Unrestricted Funds, including income where the donor attaches no specific conditions. Restricted funds represent income and donations, the use of which has been specified by the donor. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose.

Investments and investment income

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date, using the quoted market price. Gains and losses arising on the revaluation of investments and disposals during the year are shown in the Statement of Financial Activities. The income from investments is accounted for on an accruals basis.

The cost of managing investments is charged against investment capital, reflecting the total return approach to investment management. Any costs associated with the sale or purchase of investments are accounted for as part of the sale or purchase price of the investments.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. The accounting policy for investments is stated above. Other basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (which is also the amortised cost).

NOTES TO THE ACCOUNTS

At 31 March 2021

2 ACCOUNTING POLICIES (continued)

Resources expended

Expenditure is recognised once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis. A liability is recognised when a legal or constructive commitment is entered into by the Charity and so a liability exists.

All expenses, including support costs and governance costs, are classified to the applicable expenditure headings in the statement of financial activities. Costs of raising funds are those costs incurred in the management of the Charity's investments. Governance costs are the costs associated with the governance arrangements of the Charity, including costs associated with the strategic as opposed to the day-to-day management of the Charity's activities.

Grants payable are recognised during the year in which the Charity enters into a binding commitment to make a grant. Expenditure on grants is recorded once the Trust has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier. The Trust has not made any grant commitments of more than one year.

Irrecoverable VAT is charged to expenditure as incurred.

Accounting estimates and judgements

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make judgements, estimates and assumptions that can affect the reported amounts in the financial statements. The most significant area of uncertainty that could affect the carrying value of the investments in the next reporting period relates to the level of investment return and the performance of investment markets in the next financial year.

Statement of Cash Flows

The Charity is classified as a smaller charity and is therefore exempt from the requirement to include a Statement of Cash Flows in its financial statements. The trustees have taken advantage of this exemption in FRS 102 and SORP Update Bulletin 1 and have not presented a Statement of Cash Flows in these financial statements.

3 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Income from investments listed on a recognised stock exchange	63,979	10,278	74,257	73,936
Interest on cash balances	16	3	19	540
	63,995	10,281	74,276	74,476

NOTES TO THE ACCOUNTS
At 31 March 2021

4 COSTS OF CHARITABLE ACTIVITIES

The charity did not undertake any activity directly but met its charitable purposes by making grants. The total amount of grants (analysed between institutional grants and grants to individuals) in relation to each activity group was as follows:

	2021	2020
	£	£
Contribution work associated with the Diocese of Iran	-	7,972
	<u>-</u>	<u>7,972</u>

5 SUPPORT AND GOVERNANCE COSTS

	2021	2020
	£	£
Independent examiner's fee	600	600
Administration charge payable to Church Mission Society	3,000	3,000
Trustee meetings and expenses	-	67
Other costs	78	78
	<u>3,678</u>	<u>3,745</u>

6 EMPLOYEES, KEY MANAGEMENT PERSONNEL, TRUSTEES AND RELATED PARTY TRANSACTIONS

The Charity had no employees during the year (2020: none) and accordingly there were no staff costs or employee benefits incurred during the year and no employees whose emoluments were equal to or greater than £60,000 per annum (2020: Nil).

The total amount of employee benefits received by key management personnel for their services during the year is £nil (2020: £nil).

None of the Trustees were paid any remuneration by the charity during the year (2020: £nil). Trustees' expenses in the year totaled £nil (2020: £67) with three trustees reimbursed travel and meeting expenses of £nil (2020: £67). There were no other related party transactions during the year that require disclosure.

NOTES TO THE ACCOUNTS
At 31 March 2021

7 INVESTMENTS

Analysis of Movement in Investments

	Listed bond investments	Listed equity investments	Alternatives	Held as cash	Total 2021	Total 2020
Market Value or Cost	£	£	£	£	£	£
At 1 April	324,260	1,726,217	144,615	11,595	2,206,687	2,482,182
Additions to investments at cost	285,942	943,344	11,750	-	1,241,036	3,503,259
Proceeds from disposals	(290,823)	(923,241)	-	-	(1,214,064)	(3,415,961)
Net movement in investments held as cash	-	-	-	(5,798)	(5,798)	42,582
Net gains and losses on investments	2,985	500,167	(2,506)	-	500,646	(320,211)
At 31 March	322,364	2,246,487	153,859	5,797	2,728,507	2,206,687

Investments by Geographical Location

	2021 £	2020 £
UK	1,613,579	1,411,585
Overseas	1,114,928	795,102
At 31 March	2,728,507	2,206,687

8 DEBTORS

	2021 £	2020 £
Amount due from Church Mission Society	56,642	34,154
Amount due from Investment Manager	34,876	-
	91,518	34,154

9 CREDITORS

	2021 £	2020 £
Accruals	6,989	6,666
Accruals - grants	-	3,277
	6,989	9,943

NOTES TO THE ACCOUNTS
At 31 March 2021

10 NET ASSETS BY FUND

	Unrestricted	Restricted	Total
	£	£	£
Investments	2,343,464	385,043	2,728,507
Current assets	86,691	4,827	91,518
Less: Current liabilities	(6,989)	-	(6,989)
Net Assets 2021	2,423,166	389,870	2,813,036
Net Assets 2020	1,922,112	308,786	2,230,898

11 RESTRICTED FUNDS

	At 1 April 2020	Incoming Resources	Outgoing Resources	Net gains and losses on investments	At 31 March 2021
	£	£	£	£	£
Iran Episcopal Fund for the Iran Bishopric	231,560	11,330	(2,489)	51,966	292,367
Pegg Legacy for medical work in Iran	53,855	2,635	(579)	12,086	67,997
Sohrab Books Fund – Education and Literature	23,371	1,143	(252)	5,244	29,506
	308,786	15,108	(3,320)	69,296	389,870

12 FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Basic financial assets measured at fair value	2,728,507	2,206,687
Basic financial assets measured at settlement value (also the amortised cost)	91,518	34,154
Basic financial liabilities measured at settlement value (also the amortised cost)	6,989	9,943

Basic financial assets are all investments and debtors, excluding any prepayments. Basic financial liabilities are all creditors due in less than one year (including accruals). The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2021	2020
	£	£
Income for basic financial assets measured at fair value	109,152	74,670
Total gains/(losses) in respect of basic financial assets measured at fair value	500,645	(320,211)
Income for basic financial assets measured at settlement value	Nil	Nil
Expense for basic financial liabilities measured at settlement value	Nil	Nil

NOTES TO THE ACCOUNTS
At 31 March 2021

13 POST BALANCE SHEET EVENT

In August 2021, the trustees were notified that there had been an error in the calculation of the investment manager fees since March 2019 amounting to £34,916. UBS Wealth Management had agreed to refund this amount in August 2021. Of this amount, £34,876 related to the year to 31 March 2021. This was deemed to be a post balance sheet adjusting event, so this is shown in Other Income and Debtors (see note 8).

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DIOCESE OF IRAN TRUST FUND

I report to the trustees on my examination of the accounts of the Diocese of Iran Trust Fund (the Trust) for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Trust, 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 Trust's accounts carried out under section 145 of the 2011 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those 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 matters 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.



Andrew Churchill Stone – FCA DChA
Mercer Lewin
41 Cornmarket Street
Oxford
OX1 3HA

28 January 2022

STATEMENT OF FINANCIAL ACTIVITIES – FIVE YEAR TREND COMPARATIVES
At 31 March 2021

This page is additional management information and does not form part of the report and accounts of the Diocese of Iran Trust Fund for the year ended 31 March 2021.

	2021 £	2020 £	2019 £	2018 £	2017 £
Income from:					
Investment income	74,276	74,476	71,833	64,015	64,213
Other income	34,876	194	-	-	24,368
Total income	109,152	74,670	71,833	64,015	88,581
Expenditure on:					
Raising funds	23,982	26,553	13,008	14,865	8,322
Charitable activities					
Grants	-	7,972	15,453	18,973	-
Support and governance	3,678	3,745	10,712	3,747	3,583
	3,678	11,717	26,165	22,720	3,583
Total expenditure	27,660	38,270	39,173	37,585	11,905
Net income/(expenditure) before gains and losses on investments	81,492	36,400	32,660	26,430	76,676
Net gains /(losses) on investments	500,646	(320,211)	40,968	10,162	227,186
Net income/(expenditure)	582,138	(283,811)	73,628	36,592	303,862