

Church of England Clergy Stipend Trust
Unaudited Financial Statements
31 March 2021

CHRISTOPHER BAILEY ACCOUNTANTS (OLDHAM) LIMITED

Chartered Accountants
County End Business Centre
Jackson Street
Springhead
Oldham
Lancashire
OL4 4TZ

Church of England Clergy Stipend Trust

Financial Statements

Year ended 31 March 2021

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	6
Statement of financial activities	7
Statement of financial position	8
Notes to the financial statements	9

Church of England Clergy Stipend Trust

Trustees' Annual Report

Year ended 31 March 2021

The trustees present their report and the unaudited financial statements of the Charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Church of England Clergy Stipend Trust
Charity registration number	287022
Principal office	271 South Lambeth Road London SW8 1UH
The trustees	Mr J C G Trower The Ven L J Miller Revd D N C Houlding Mr R Holroyd Mr J W Parkinson (retired 24 September 2021)
Secretary	Mrs D Madden
Independent examiner	Christopher Bailey ACA Christopher Bailey Accountants (Oldham) Limited Chartered Accountants County End Business Centre Jackson Street Springhead Oldham Lancashire OL4 4TZ
Investment managers	Rathbone Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW CBF Church of England Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
Bankers	HSBC Bank plc 2-4 St Ann's Square Manchester M2 7HD

Church of England Clergy Stipend Trust

Trustees' Annual Report

Year ended 31 March 2021

The CBF Church of England Deposit Fund
CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Church of England Clergy Stipend Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Structure, governance and management

Background and legal structure

The Trust was inspired by the late Sir William Trower as a small contribution to the post war problem of inadequate stipends for the parochial clergy of the Church of England. It was constituted by a trust deed dated 8 May 1952, the original trustees being Messrs H E Seir, G G Parkinson and W G Trower, Sir James Rait Brown and the Venerable Archdeacon G F Townley, the last two mentioned having been nominated by the Archbishop of Canterbury and the Archbishop of York respectively; the Archbishops continue to enjoy this power of nomination in the replacement of those original trustees and their successors. The Trust is registered with the Charity Commissioners under No. 287022.

The Trustees meet at least annually, usually in November, at which meeting they consider grant making, reports from Dioceses regarding previous grants, investments and performance, capital and income account balances, income review, budgets, cash flow, reserves and risk management policies.

Trustees are appointed by the unanimous agreement of existing Trustees. On appointment, the new Trustee is provided with a copy of the Trust Deed and the most recent report and accounts. Copies of previous Trustees' meeting minutes are available to the new Trustee.

The Trustees who served during the year are named on page 1. The Trustees have wide powers of investment in accordance with the provisions of the Trustee Act 2000.

After many years of dedicated service as a Trustee, John Parkinson decided that he wished to retire. He leaves with the grateful thanks of his fellow Trustees for the good sense and wisdom which he brought to the role. John Berry also decided to retire as Secretary to the Trust and Delia Madden has been appointed as his replacement. The Trustees are equally grateful to John Berry for all his hard work in administering the Trust over the last few years.

Objectives and activities

Objects

The Trust Fund is held at the discretion of the Trustees, without distinction between capital and income, for the following purposes, namely the augmentation of the stipends of parsons, vicars, curates and ministers officiating in the churches and chapels of the Church of England, the relief of poverty among such parsons and the advancement of religion generally in accordance with the faith and doctrine of the Church of England.

Grant-making policy

In pursuit of the objects of the Trust, the Trustees make grants, via diocesan bishops, to dioceses which, on the basis of assessment of resources and needs (based on information from the Archbishops' Council) are demonstrably deserving of further financial assistance. Such cases are mainly focussed in areas of severe urban deprivation and as a consequence a large proportion of the Trustees' grants are concentrated in the Province of York. The Trustees have instituted procedures to satisfy themselves that the grants have been expended in accordance with the Trust's objectives.

Church of England Clergy Stipend Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Achievements and performance

Total incoming resources for the year amounted to £71,314 (2020: £85,650).

Secretarial expenses together with investment management fees and other expenditure (excluding Grants) increased by £1,639 (2020: Increase £1,566). For the year ended 31 March 2021, total net outgoing resources were £64,754 (2020: £47,979) after taking into account distributions by the Trustees of £115,800 (2020: £115,000) in pursuance of their objectives among beneficiaries in the 18 Dioceses of the Provinces of Canterbury and York, as shown in the Statement of Financial Activities on page 7. The net movement in funds taking account of the profits and losses on investments on Capital Account was an overall surplus of £594,867 (2020: Deficit £313,775). The net assets of the trust at 31 March 2021 were £3,502,692 (2020: £2,907,825).

Public benefit

In carrying out their activities the Trustees have complied with the duty under section 17(5) of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit. In particular, in deciding on the award of grants, the Trustees consider inter-alia information available to the Archbishops' Council on diocesan resources, clergy numbers and areas of deprivation. This process enables the Trustees to make grants to dioceses in support of the Trust's charitable objectives and the Trustees are satisfied that in awarding their grants, the Charity is fulfilling its fundamental objects and so providing public benefit.

Financial review

Reserves

As shown in the Statement of Financial Position on page 8, the vast majority of the Trust's funds are represented by its fixed assets, mainly investments. The Trust relies completely upon return generated from these investments to fund its charitable expenditure. It is the Trustees policy to control its investments and charitable expenditure so as to provide a stable base for the charity's continuing activities while at the same time ensuring excessive funds are not accumulated.

Investment policy

The Trust's investments are managed on a discretionary basis by the Investment Managers listed on page 1. A formal review is carried out on an annual basis, whilst the Trustees receive regular valuations and details of any transactions.

The primary objective of the investment policy is to achieve a total return of both capital and income that will allow the Trustees to maintain and grow over time their support of the Trust's beneficiaries. The Trustees are looking to distribute approximately 3.75% of the value of the fund as at 5 April 2013 adjusted for inflation. The distribution policy will be reviewed annually in view of current market conditions and inflation.

The Trustees as far as practical adhere to the ethical investment policy developed by the Church of England's Ethical Investment Advisory Group.

Risk review

The Trustees have reviewed the major risks to which the charity is exposed. The Trustees consider volatility and the security of investments to constitute the charity's major risk and are satisfied that systems are in place to mitigate the Charity's exposure thereto.

Church of England Clergy Stipend Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

The trustees' annual report was approved on 9 November 2021 and signed on behalf of the board of trustees by:

Mr J C G Trower
Trustee

The Ven L J Miller
Trustee

Revd D N C Houlding
Trustee

Mr R Holroyd
Trustee

Church of England Clergy Stipend Trust

Independent Examiner's Report to the Trustees of Church of England Clergy Stipend Trust

Year ended 31 March 2021

I report to the trustees on my examination of the financial statements of Church of England Clergy Stipend Trust ('the Charity') for the period ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's financial statements 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 Charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.

Christopher Bailey ACA
Independent Examiner

Christopher Bailey Accountants (Oldham) Limited
Chartered Accountants
County End Business Centre
Jackson Street
Springhead
Oldham
Lancashire
OL4 4TZ

9 November 2021

Church of England Clergy Stipend Trust

Statement of Financial Activities

Year ended 31 March 2021

		Year to 31 Mar 2021	Year to 31 Mar 2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Investment income	4	71,314	85,650
Total income		<u>71,314</u>	<u>85,650</u>
Expenditure			
Expenditure on raising funds:			
Investment management costs	5	16,577	15,013
Expenditure on charitable activities	6,7	119,491	118,616
Total expenditure		<u>136,068</u>	<u>133,629</u>
Net gains/(losses) on investments	10	659,621	(265,796)
Net income/expenditure and net movement in funds		<u>594,867</u>	<u>(313,775)</u>
Reconciliation of funds			
Total funds brought forward		2,907,825	3,221,600
Total funds carried forward		<u>3,502,692</u>	<u>2,907,825</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 9 to 14 form part of these financial statements.

Church of England Clergy Stipend Trust

Statement of Financial Position

31 March 2021

	Note	31 Mar 2020 £	£	31 Mar 2019 £
Fixed assets				
Investments	13		3,477,328	2,793,453
Current assets				
Debtors	14	-		3,203
Cash at bank and in hand		32,070		116,817
		<u>32,070</u>		<u>120,020</u>
Creditors: amounts falling due within one year	15	<u>6,706</u>		<u>5,648</u>
Net current assets			<u>25,364</u>	<u>114,372</u>
Total assets less current liabilities			<u><u>3,502,692</u></u>	<u><u>2,907,825</u></u>
Funds of the charity				
Unrestricted funds			<u>3,502,692</u>	<u>2,907,825</u>
Total charity funds	16		<u><u>3,502,692</u></u>	<u><u>2,907,825</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 9 November 2021, and are signed on behalf of the board by:

Mr J C G Trower
Trustee

The Ven L J Miller
Trustee

Revd D N C Houlding
Trustee

Mr R Holroyd
Trustee

The notes on pages 9 to 14 form part of these financial statements.

Church of England Clergy Stipend Trust

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The Charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 271 South Lambert Road, London, SW8 1UH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

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

Church of England Clergy Stipend Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Church of England Clergy Stipend Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a 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.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

4. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from UK equities and UK fixed interest securities	17,952	17,952	27,384	27,384
Income from UK investment trusts	4,677	4,677	3,692	3,692
Income from overseas investments	187	187	-	-
Income from collectives	48,391	48,391	54,108	54,108
Bank deposit interest receivable	107	107	466	466
	<u>71,314</u>	<u>71,314</u>	<u>85,650</u>	<u>85,650</u>

5. Investment management costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Portfolio management	16,577	16,577	15,013	15,013
	<u>16,577</u>	<u>16,577</u>	<u>15,013</u>	<u>15,013</u>

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Grant funding activities	115,800	115,800	115,000	115,000
Support costs	3,691	3,691	3,616	3,616
	<u>119,491</u>	<u>119,491</u>	<u>118,616</u>	<u>118,616</u>

Church of England Clergy Stipend Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

7. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Grant funding activities	115,800	1,291	117,091	116,516
Governance costs	–	2,400	2,400	2,100
	<u>115,800</u>	<u>3,691</u>	<u>119,491</u>	<u>118,616</u>

8. Analysis of support costs

	Grant funding activities £	Total 2021 £	Total 2020 £
Secretarial services	1,200	1,200	1,200
Trustees' expenses	-	-	233
Bank charges	91	91	83
Portfolio monitoring service	-	-	-
	<u>1,291</u>	<u>1,291</u>	<u>1,516</u>

9. Analysis of grants

	Year to 31 Mar 21 £	Year to 31 Mar 20 £
Grants to institutions		
Grants to Diocesan Boards of Finance	115,800	115,000
Total grants	<u>115,800</u>	<u>115,000</u>

10. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Gains/(losses) on other investment assets	659,621	659,621	(265,796)	(265,796)

Independent examination fees

	Year to 31 Mar 21 £	Year to 31 Mar 20 £
Fees payable to the independent examiner for: Independent examination of the financial statements	2,400	2,100

Church of England Clergy Stipend Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees (2020: £Nil).

13. Investments

	Listed investments £
Cost or valuation	
At 1 April 2020	2,793,453
Additions	413,521
Disposals	(389,267)
Other movements	659,621
At 31 March 2021	3,477,328
Impairment	
At 1 April 2020 and 31 March 2021	-
Carrying amount	
At 31 March 2021	3,477,328
At 1 April 2020	2,793,453

All investments shown above are held at valuation.

Listed investments

The aggregate market value of listed investments is £3,477,328 (2020: £2,793,453).

Financial assets held at fair value

All financial assets held at fair value are valued by the company's investment managers at market value, using the appropriate middle price for each asset held at 31 March 2021.

14. Debtors

	31 Mar 21 £	1 Apr 20 £
Other debtors	-	2,721

15. Creditors: amounts falling due within one year

	31 Mar 21 £	1 Apr 20 £
Other creditors	6,706	5,648

Church of England Clergy Stipend Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	Gains and losses	At 31 March 2021
	£	£	£	£	£
General funds	2,907,825	71,314	(136,068)	659,621	3,502,692

17. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	3,477,328	3,477,328	2,793,453
Current assets	32,070	32,070	120,020
Creditors less than 1 year	(6,706)	(6,706)	(5,648)
Net assets	3,502,692	3,502,692	2,907,825

Church of England Clergy Stipend Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Grants made out of income

Grants made to the following Diocesan Boards of Finance for augmentation of stipends

	Year ended 31 March 2021	Total to date
Bath and Wells		3,700
Birmingham	13,500	305,000
Blackburn		144,400
Bradford		169,400
Bristol		14,250
Canterbury	5,600	39,050
Carlisle		64,100
Chelmsford	8,300	143,450
Chester		10,650
Derby		64,700
Durham	10,000	370,300
Ely		1,800
Exeter		47,150
Gloucester		5,100
Hereford		7,000
Leeds	11,000	146,100
Leicester		70,900
Lichfield		239,550
Lincoln	7,300	33,900
Liverpool	5,000	346,450
London		8,400
Manchester	13,200	316,275
Newcastle	7,100	244,800
Norwich	6,900	60,850
Oxford		5,650
Peterborough		4,450
Portsmouth		6,000
Representative body of the Church in Wales		5,650
Rochester		2,800
Salisbury		9,400
Sheffield	11,000	262,800
Sodor and Man		2,400
Southwark		2,500
Southwell and Nottingham	7,100	160,900
St Albans		6,850
St Edmundsbury and Ipswich		11,700
Truro		59,350
Wakefield		192,000
Winchester		2,850
Worcester		4,150
York	9,800	314,300
Miscellaneous grants		8,497
	<u>115,800</u>	<u>3,919,522</u>