

Queen Victoria Clergy Fund
(INCORPORATED BY ROYAL CHARTER 1897)

Patron:

HER MAJESTY THE QUEEN



Presidents:

The Archbishop of Canterbury

The Archbishop of York

Vice-Presidents:

The Bishops of the Dioceses of the Provinces of Canterbury and York

ONE HUNDRED AND TWENTY FIFTH ANNUAL REPORT 2021

CHURCH HOUSE, GREAT SMITH STREET,
LONDON SW1P 3AZ

Telephone: 020 7898 1310

Charity No. 213258

The Queen Victoria Clergy Fund

COUNCIL'S REPORT

For the year ended 30 June 2021

THE COUNCIL OFFICERS AND ADVISERS

COUNCIL

Canon Peter Bruinvels CC, *Chairman*

David Mills, *Deputy Chairman*

Anthony Allwood

David Ashton

Canon David Froude

Rosemary Lyon

Canon Dr Adanna Lazz-Onyenobi

William Seddon

SECRETARY

Stephanie Maurel (appointed 1 September 2020)

Christopher Palmer CBE (retired 30 September 2020)

REGISTERED OFFICE AND PRINCIPAL OFFICE

Church House

Great Smith Street

London SW1P 3AZ

REGISTERED 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 2021

The Council presents its annual report and audited financial statements for the year ended 30 June 2021.

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

CONSTITUTION AND OBJECTS

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

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

GOVERNANCE

The membership of the Fund consists of forty-two members, one lay member being nominated to serve for five years by each diocese of the Church of England following each election of members to General Synod. At the Annual General Meeting held in February 2016, the members elected a Council of eight members from amongst their number, to serve for a term of five years. As a consequence of the COVID pandemic and the decision to postpone General Synod elections in 2020, each Council member agreed to extend their term by a further year until February 2022. The process to elect a new Council will commence once 2021 General Synod elections have been completed and the new Council will be appointed at the Annual General Meeting to be 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. 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. The planned review of the investment manager was completed in August 2021 and the views expressed and recommendations made are to be considered by the Council at their next meeting. The Council considered that all three advisors had fulfilled their individual terms of reference and is satisfied that no change is necessary at this time.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2021

GRANT MAKING POLICY

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

REVIEW OF THE YEAR

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

The Fund generated a total surplus in the year of £498,231 after accounting for unrealised gains on investments of £516,926. By comparison, in the year to 30 June 2020 the Fund generated a surplus of £128,922 after accounting for unrealised gains on investments of £142,960.

In the year to 30 June 2021, the capital value of the Fund's portfolio increased by £505,053 (2020: increased by £124,899). It is pleasing to report that the income target set for 2021 was met.

During the year, the fund distributed £150,000 (2020: £150,000) to the dioceses in furtherance of the charity's aims. To achieve this level of distribution, and reflecting the decision reached by the Council during 2013 to adopt a total return approach, undistributed income from the previous year's activities was supplemented by £14,100 (2020: £18,699) from the sale of investments. It is anticipated that investments of around £39,000 will be sold to meet the income shortfall in the 2020/21 financial year and the increased level of distribution. In considering the amount of capital transferred to income, the Council balances the current needs of beneficiaries with the likely needs of future beneficiaries.

FUTURE PLANS

The Council intends to continue and, if possible, increase its annual grants to dioceses to enable them to give further support to clergy in need. Reflecting upon the impact of the COVID pandemic, the Council has resolved to distribute an additional £15,000 of grants in 2021/22 increasing the total distribution to £165,000.

INVESTMENT POLICY

At its online meeting in September 2020 the Council reviewed the Investment Policy and agreed to change the Benchmark to 25% MSCI UK IMI (Net Return) Index; 10% MSCI AC World (ex UK) (local currency) £ Index; 40% MSCI AC World (ex UK) (Net Total Return) Index; 10% MSCI All Balanced Funds Index (1 Quarter lagged) Index; 7.5% ICE BofAML Gilts All Stocks Index; 7.5% ICE BofAML Sterling Corporate Bond Index.

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

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

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2021

INVESTMENT PERFORMANCE

Over one and five years to 30 June 2021, the Fund's portfolio return net of fees was +15.1% and +9.5% pa respectively. Over five years the returns continue to exceed its long-term target (CPI +4%) of +6.0%, the Charity Peer Group (the ARC Sterling Steady Growth Charity Index) returns of +7.6%pa, respectively. It was also ahead of the Composite Benchmark Index, (25% UK equities; 50% overseas equities; 15% bonds; and 10% property) introduced in 2018, over three years (+8.0% versus +9.6% for the portfolio). While returns for the portfolio were strong in absolute terms over 1 year (+15.1%) they were behind the Composite Benchmark (+18.7%) and Peer Group (+16.0%) but strongly ahead of the long-term target (+6.1%).

The stimulus programmes that were introduced in response to the Coronavirus Pandemic led to a strong recovery in markets in the second half of 2020. There was a pronounced sector rotation final quarter of 2020 and early 2021 triggered by the positive vaccine news and completion of the US election in the last quarter of 2020. The conclusion of Brexit also resulted in a recovery of sterling and the UK market in 2021. Over the 12 months UK equities generated strong returns (+17.2%) as did global equities (+21.3%). Property recovered well as the funds returned to trading (+10%). Returns on other assets were positive; bonds providing good absolute and relative returns (+1.2%) driven by the allocation to Corporate Bonds, while alternatives returned +1.2%. The relative underperformance over the period was due to the equities not keeping pace with their comparative indices but this is to be expected when there is as pronounced a rotation to more 'value' orientated companies over a short time frame. Long term returns remain strong.

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

As at 8 September 2021 the investments were valued at £5,131,469.

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 2021 total funds of the Council amounted to £5.14m (2020: £4.64m). Of this, £5.00m (2020: £4.49m) is represented by the value of long-term investments. The underlying yield of the Fund's portfolio was 2.9% as at 30 June 2021 (2020: 3.2%).

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2021

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.

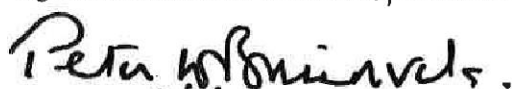
Stock market volatility and continuing global economic uncertainty continue to make the management of the Fund's investments somewhat challenging. The charity is a long-term investor and the trustees, on professional advice, remain of the opinion that a mixed portfolio of equities, bonds, cash and other 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 17 December 2021



Canon Peter Bruinvels CC
Chairman

The Queen Victoria Clergy Fund

COUNCIL'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

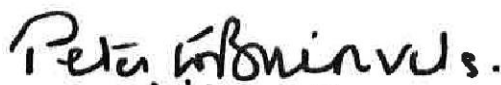
The Council is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Charities Act 2011, the charities (Accounts and Reports) Regulations 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 17 December 2021



Canon Peter Bruinvels CC
Chairman

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

For the year ended 30 June 2021

Opinion

We have audited the financial statements of The Queen Victoria Clergy Fund (the 'charity') for the year ended 30 June 2021 which comprise of the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Council's annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE QUEEN VICTORIA
CLERGY FUND (continued)**
For the year ended 30 June 2021

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE QUEEN VICTORIA
CLERGY FUND (continued)
For the year ended 30 June 2021

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Lovewell Blake LLP

Lovewell Blake LLP
Chartered accountants & statutory auditor
12/01/2022

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

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

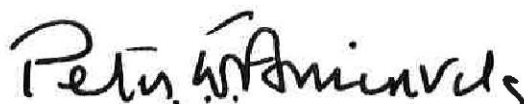
The Queen Victoria Clergy Fund

BALANCE SHEET


As at 30 June 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	3	5,002,557	4,497,504
CURRENT ASSETS			
Cash at bank and on deposit	5	106,921	109,238
Debtors	6	34,152	39,158
		<u>141,073</u>	<u>148,396</u>
Creditors: Amounts falling due within one year	7	(3,902)	(4,403)
NET CURRENT ASSETS		<u>137,171</u>	<u>143,993</u>
NET ASSETS		<u>5,139,728</u>	<u>4,641,497</u>
REPRESENTED BY:			
Unrestricted funds	8	4,617,681	4,172,963
Endowment funds	9	522,047	468,534
Total funds		<u>5,139,728</u>	<u>4,641,497</u>

The financial statements on pages 10 to 20 were approved by the Council and authorised for issue on 17 December 2021 and signed on its behalf by:

 Chairman

 Trustee

 Secretary

The Queen Victoria Clergy Fund
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 June 2021

	<i>Notes</i>	Unrestricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
INCOME AND EXPENDITURE					
Income from:					
Income on investments		125,450	14,486	139,936	145,270
Interest on deposit		32	-	32	342
		<u>125,482</u>	<u>14,486</u>	<u>139,968</u>	<u>145,612</u>
Total income					
Expenditure on:					
Charitable activities		159,094	463	159,557	160,288
Total expenditure	11	<u>159,094</u>	<u>463</u>	<u>159,557</u>	<u>160,288</u>
Net (expenditure) / income before transfers and gains		(33,612)	14,023	(19,589)	(14,676)
Transfers between funds		14,023	(14,023)	-	-
Net (expenditure)/ income after transfers and before gains		<u>(19,589)</u>	<u>-</u>	<u>(19,589)</u>	<u>(14,676)</u>
Other gains and losses					
Realised gains on the disposal of investments		894	-	894	638
Unrealised gains on market value of investments		<u>463,413</u>	<u>53,513</u>	<u>516,926</u>	<u>142,960</u>
Net movements in funds		<u>444,718</u>	<u>53,513</u>	<u>498,231</u>	<u>128,922</u>
Total funds brought forward 1 July 2020		<u>4,172,963</u>	<u>468,534</u>	<u>4,641,497</u>	<u>4,512,575</u>
Total funds carried forward 30 June 2021	8/9	<u><u>4,617,681</u></u>	<u><u>522,047</u></u>	<u><u>5,139,728</u></u>	<u><u>4,641,497</u></u>

All incoming resources and expended resources derive from continuing activities.
An analysis by fund of the comparative figures for 2020 is shown in note 10.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

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.

The Council have taken into account the impact of Covid-19 when assessing going concern.

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 2021

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.

	2021 £	2020 £
3 INVESTMENTS		
Market value at 1 July 2020	4,497,504	4,372,605
Additions	1,333	-
Disposals	(13,206)	(18,061)
Unrealised gain in the year	516,926	142,960
Market value 30 June 2021	5,002,557	4,497,504
Historical cost as at 30 June 2021	2,747,713	2,754,468
Investments at market value comprised:		
Global equities	2,643,059	2,275,500
UK equities	994,931	809,056
Fixed interest securities	501,704	690,058
Property	452,225	455,885
Liquid assets	153,484	127,433
Alternative assets	257,154	139,572
	5,002,557	4,497,504

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

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.

	2021 £	2020 £
4 REALISED GAIN ON SALE OF INVESTMENTS		
Sale proceeds from sale of investments	14,100	18,699
Less: original cost	(8,088)	(11,424)
Profit on original cost	6,012	7,275
Less: unrealised gain previously recognised	(5,118)	(6,637)
Realised gain on sale of investments	894	638
5 CASH AT BANK AND ON DEPOSIT		
Barclays Bank Current account	1,030	795
Barclays Bank Base Rate Reward account	105,891	106,770
Sarasin & Partners Sterling Investment account	-	1,673
	106,921	109,238
6 DEBTORS		
Accrued investment income and bank interest	34,152	39,158
	34,152	39,158

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2021

	2021	2020
	£	£
7 CREDITORS: Amounts falling due within one year		
Grants payable	463	481
Accruals	3,439	3,922
	<u>3,902</u>	<u>4,403</u>
	<u><u>3,902</u></u>	<u><u>4,403</u></u>
8 UNRESTRICTED FUNDS	2021	2020
	£	£
Balance brought forward 1 July 2020	4,172,963	4,058,840
(Deficit) for the year	(19,589)	(14,676)
Realised gain on sale of investments	894	638
Unrealised gain in market value for the year	463,413	128,161
	<u>4,617,681</u>	<u>4,172,963</u>
Balance carried forward 30 June 2021	<u><u>4,617,681</u></u>	<u><u>4,172,963</u></u>

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

	30 June	Market	30 June
	2020	gain	2021
	£	£	£
9 ENDOWMENT FUNDS			
Priors Hardwick Trust	4,337	495	4,832
RA Clement Trust	43,887	5,012	48,899
Incumbents' Sustentation Fund	121,006	13,821	134,827
Endowment Capital Trust	2,512	287	2,799
Miss RLJ Stallard Bequest	99,620	11,378	110,998
Tithe Redemption Trust	22,228	2,539	24,767
AD Yorke Legacy	174,944	19,981	194,925
	<u>468,534</u>	<u>53,513</u>	<u>522,047</u>
	<u><u>468,534</u></u>	<u><u>53,513</u></u>	<u><u>522,047</u></u>

The endowments represent legacies given. Under the terms of the various endowments, unexpended income arising from the investments, after specific donations, is to be transferred to the Unrestricted Funds to further the aims of the Charity. For the year ended 30 June 2021 the transfer amounted to £14,023 (2020: £14,558).

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

10 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2020

	Unrestricted Funds £	Endowment Funds £	Total £
Income from:			
Income on investments	130,231	15,039	145,270
Interest on deposit	342	-	342
Total income	130,573	15,039	145,612
Expenditure on:			
Charitable activities	159,807	481	160,288
Total expenditure	159,807	481	160,288
Net (expenditure) / income before transfers and gains	(29,234)	14,558	(14,676)
Transfers between funds	14,558	(14,558)	-
	(14,676)	-	(14,676)
Other gains and losses			
Realised gains on the disposal of investments	638	-	638
Unrealised gains on market value of investments	128,161	14,799	142,960
Net movements in funds	114,123	14,799	128,922
Total funds brought forward	4,058,840	453,735	4,512,575
Total funds carried forward	4,172,963	468,534	4,641,497

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2021

11	EXPENDITURE ON CHARITABLE ACTIVITIES	Total 2021 £	Total 2020 £
	Direct Costs		
	Grants payable	150,463	150,481
	Support costs		
	Management fee	8,000	8,000
	Audit fees	3,458	3,338
	Legal and professional fees	(2,374)	(2,083)
	Other expenses	10	552
		159,557	160,288
12	GRANTS PAYABLE	2021 £	2020 £
	The amount payable in the year comprises:		
	Support to clergy -		
	42 grants (2020: 42) to dioceses (see below)	150,000	150,000
	5 grants (2020: 5) to Incumbents Sustentation Funds	463	481
		150,463	150,481

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

13	SUMMARY OF BLOCK GRANTS TO DIOCESES	2021 £	2020 £
	Bath and Wells	3,144	3,106
	Birmingham	5,291	5,003
	Blackburn	5,355	4,923
	Bristol	2,225	2,322
	Canterbury	2,693	2,667
	Carlisle	2,081	2,187
	Chelmsford	5,289	5,462
	Chester	4,693	4,569
	Chichester	4,935	4,858
	Coventry	2,306	2,395
	Derby	2,677	2,747
	Durham	4,855	4,479
	Ely	2,435	2,652
	Europe	2,000	2,000
	Exeter	3,080	3,173
	Gloucester	1,612	1,593
	Guildford	2,257	2,239
	Hereford	1,371	1,436
	Leicester	1,983	2,000
	Lichfield	5,645	5,933
	Lincoln	3,952	3,887
	Liverpool	5,743	5,823
	London	7,224	8,618
	Manchester	8,001	7,398
	Newcastle	3,177	2,857
	Norwich	3,289	3,234
	Oxford	4,676	4,637
	Peterborough	2,484	2,565
	Portsmouth	2,467	2,333
	Rochester	3,064	3,032
	St Albans	3,209	3,269
	St Edmundsbury & Ipswich	1,887	2,105
	Salisbury	2,274	2,252
	Sheffield	4,758	4,428
	Sodor and Man	226	224
	Southwark	4,209	4,399
	Southwell	3,177	3,267
	Truro	1,774	1,833
	West Yorkshire & The Dales	8,339	8,057
	Winchester	2,515	2,422
	Worcester	1,677	1,792
	York	5,951	5,824
	Total	150,000	150,000
14	AUDITORS REMUNERATION	2021 £	2020 £
	Fees payable for the audit of the financial statements	3,458	3,338

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2021

	Unrestricted Funds	Endowment Funds	Total Funds
15 ANALYSIS OF NET ASSETS BETWEEN FUNDS			
Investments	4,480,510	522,047	5,002,557
Current assets	141,073	-	141,073
Current liabilities	(3,902)	-	(3,902)
Net assets at 30 June 2021	<u>4,617,681</u>	<u>522,047</u>	<u>5,139,728</u>
	Unrestricted Funds	Endowment Funds	Total Funds
Investments	4,028,970	468,534	4,497,504
Current assets	148,396	-	148,396
Current liabilities	(4,403)	-	(4,403)
Net assets at 30 June 2020	<u>4,172,963</u>	<u>468,534</u>	<u>4,641,497</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 (2020: £nil). During the year ended 30 June 2021 £nil expenses were reimbursed to members of the Council (2020: £nil expenses were reimbursed to members of the Council).

During the year a grant was paid to Guildford diocese of £2,257 (2020: £2,239) - 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 £1,887 (2020: £2,105) - Council member Anthony Allwood is a trustee of St Edmundsbury and Ipswich Diocesan Board of Finance and the Bristol diocese of £2,225 (2020: £2,322) - Council member Canon David Froude is a trustee. There were no other related party transactions.

17 STAFF

The Charity does not have any employees (2020: Nil).

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.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2021

19 FINANCIAL INSTRUMENTS

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

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Fixed asset listed investments (note 3)	5,002,557	4,497,504
