

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 SECOND ANNUAL REPORT 2018

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 2018

THE COUNCIL OFFICERS AND ADVISERS

COUNCIL

Canon Peter Bruinvels, *Chairman*
David Mills, *Deputy Chairman*
Anthony Allwood
David Ashton
Canon David Froude
Rosemary Lyon
Canon Dr Adanna Lazz-Onyenobi
William Seddon

SECRETARY

Christopher Palmer CBE

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
Westminster
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 2018

The Council presents its annual report and audited financial statements for the year ended 30 June 2018.

In preparing the annual report and financial statements the Council has adopted the provisions of the 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 on 16 July 2014 (SORP 2015 FRS102) (as amended by update Bulletin 1 published on 2 February 2016) and the Charities Act 2011.

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. 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. Although this remains the intention, it did not take place in the past year. However, the Council considered that all three advisors had fulfilled their individual terms of reference and was satisfied that no change was necessary.

The Fund's external auditors, Izod Bassett, merged with Lovewell Blake with effect from 1 March 2018.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2018

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 contributions made towards the costs of travel and respite care and assisting clergy with unexpected housing costs.

The Fund generated a total surplus in the year of £21,359 after accounting for unrealised gains on investments of £45,235. By comparison, in the year to 30 June 2017 the Fund generated a surplus of £376,833 after accounting for unrealised gains on investments of £401,971.

In the year to 30 June 2018, the capital value of the Fund's portfolio increased by £17,667 (2017 : increased by £367,720). It is pleasing to report that the income target set for 2018 was met.

During the year, the fund distributed £152,500 (2017 : £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 £28,027 (2017 : £35,000) from the sale of investments. It is anticipated that investments of around £25,000 will be sold to meet the income shortfall in the 2017/18 financial year. 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.

INVESTMENT POLICY

The Council implemented agreed revisions to the Investment Policy at its meeting in July 2018. The long-term investment objective remains to achieve a total return of inflation (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.

Investment Parameters were agreed as follows: Equities 65-85%; Property funds 0-20%; Bonds 5-25%; Cash 0-5%; and Alternative Investments 0-10%. 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 2018

INVESTMENT PERFORMANCE

Over the year to 30 June 2018, the Fund's portfolio returned 4.5%, following on from the previous year's strong return (2017 : 14.3%). Over the last three years to June 2018 the portfolio has returned 7.2% net per annum versus CPI+4% of 6.0%.

Since June 2017 Sarasin & Partners, our discretionary investment manager, has taken a more cautious approach, holding less in equities due to concerns that many asset classes looked overvalued. Whilst equity markets did indeed fall -4.5% in the first quarter of 2018, they rebounded strongly in the second quarter ensuring that the portfolio's more conservative approach generated a return slightly behind that of the composite benchmark and the Charity Peer Group. At the asset class level, the portfolio continued to perform well with the core element in global equities increasing 10.2% versus the index return of 9.0%.

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

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 2018 total funds of the Council amounted to £4.39m (2017 : £4.37m). Of this, £4.25m (2017 : £4.23m) is represented by the value of long term investments.

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.

Signed on behalf of the Council on 6 December 2018



Peter Bruinvels
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 (FRS102);
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK 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 business.

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 and the applicable Charities (Accounts and Reports) Regulations. 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 6 December 2018



Peter Bruinvels
Chairman

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

For the year ended 30 June 2018

Opinion

We have audited the financial statements of The Queen Victoria Clergy Fund (the 'charity') for the year ended 30 June 2018 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 2018, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

In connection with our audit of the financial statements, 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 2018

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
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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.

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 charity's trustees 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor

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

13/02/19

As at 30 June 2018

The financial statements on pages 8 to 18 were approved by the Council and authorised for issue on 6 December 2018 and signed on its behalf by:

Peter W. Binnard

W.F. Seldon

[Handwritten signature]

The Queen Victoria Clergy Fund

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2018

	Notes	Unrestricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
INCOME AND EXPENDITURE					
Income from:					
Income on investments		124,000	14,319	138,319	132,680
Interest on deposit		220	-	220	317
Donations and legacies		-	-	-	2,537
Total income		<u>124,220</u>	<u>14,319</u>	<u>138,539</u>	<u>135,534</u>
Expenditure on:					
Charitable activities		162,416	458	162,874	161,420
Total expenditure	11	<u>162,416</u>	<u>458</u>	<u>162,874</u>	<u>161,420</u>
Net (expenditure) / income before transfers and gains		(38,196)	13,861	(24,335)	(25,886)
Transfers between funds		13,861	(13,861)	-	-
		<u>(24,335)</u>	<u>-</u>	<u>(24,335)</u>	<u>(25,886)</u>
Other gains and losses					
Realised gains / (losses) on the disposal of investments		459	-	459	748
Unrealised gains / (losses) on market value of investments		40,553	4,682	45,235	401,971
Net movements in funds		<u>16,677</u>	<u>4,682</u>	<u>21,359</u>	<u>376,833</u>
Total funds brought forward 1 July 2017		<u>3,932,034</u>	<u>434,135</u>	<u>4,366,169</u>	<u>3,989,336</u>
Total funds carried forward 30 June 2018	8/9	<u>3,948,711</u>	<u>438,817</u>	<u>4,387,528</u>	<u>4,366,169</u>

All incoming resources and expended resources derive from continuing activities.
An analysis by fund of the comparative figures for 2017 is shown in note 10.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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 financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as amended by update Bulletin 1 published on 2 February 2016) and the Charities Act 2011. 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 on 16 July 2016 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.

GOING CONCERN

The financial statements have been prepared on a going concern basis, as the Council believes that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements.

INVESTMENT INCOME

The Fund recognises income in the period in which it was earned consistent with the accruals basis.

EXPENDITURE

Expenditure together with any irrecoverable VAT is included on an accruals basis.

Grants payable are accounted for in the year when the offer is conveyed to the recipient.

Expenditure on charitable activities includes grants made and support costs.

INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Fund does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

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.

	2018 £	2017 £
3 INVESTMENTS		
Market value at 1 July 2017	4,230,283	3,862,563
Additions	-	-
Disposals	(27,568)	(34,251)
Unrealised gain in the year	45,235	401,971
Market value 30 June 2018	4,247,950	4,230,283
Historical cost as at 30 June 2018	2,777,339	2,795,557
Investments at market value comprised:		
Global equities	1,982,691	1,586,848
UK equities	824,975	1,180,060
Fixed interest securities	605,557	585,860
Property	281,584	371,645
Liquid assets	438,438	201,954
Alternative assets	114,705	303,916
	4,247,950	4,230,283

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

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.

	2018 £	2017 £
4 REALISED GAIN ON SALE OF INVESTMENTS		
Sale proceeds from sale of investments	28,027	35,000
Less: original cost	(18,218)	(25,012)
Profit on original cost	9,809	9,988
Less: unrealised gain previously recognised	(9,350)	(9,240)
Realised gain on sale of investments	459	748
	2018 £	2017 £
5 CASH AT BANK AND ON DEPOSIT		
Barclays Bank Current account	1,553	1,222
Barclays Bank Base Rate Reward account	99,241	95,699
Sarasin & Partners Sterling Investment account	3,247	2,885
	104,041	99,806
	2018 £	2017 £
6 DEBTORS		
Accrued investment income and bank interest	39,499	39,794
	39,499	39,794

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

	2018 £	2017 £
7 CREDITORS: Amounts falling due within one year		
Grants payable	458	440
Accruals	3,504	3,274
	<u>3,962</u>	<u>3,714</u>
8 UNRESTRICTED FUNDS	2018 £	2017 £
Balance brought forward 1 July 2017	3,932,034	3,596,814
(Deficit) for the year	(24,335)	(25,886)
Realised gain on sale of investments	459	748
Unrealised gain in market value for the year	40,553	360,358
	<u>3,948,711</u>	<u>3,932,034</u>

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

	30 June 2017 £	Market gain £	30 June 2018 £
9 ENDOWMENT FUNDS			
Priors Hardwick Trust	4,019	43	4,062
RA Clement Trust	40,665	439	41,104
Incumbents' Sustentation Fund	112,122	1,209	113,331
Endowment Capital Trust	2,328	25	2,353
Miss RLJ Stallard Bequest	92,305	996	93,301
Tithe Redemption Trust	20,596	222	20,818
AD Yorke Legacy	162,100	1,748	163,848
	<u>434,135</u>	<u>4,682</u>	<u>438,817</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.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

10 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2017

	Unrestricted Funds £	Endowment Funds £	Total £
Income from:			
Income on investments	118,945	13,735	132,680
Interest on deposit	317	-	317
Donations and legacies	2,537	-	2,537
Total income	121,799	13,735	135,534
Expenditure on:			
Charitable activities	160,980	440	161,420
Total expenditure	160,980	440	161,420
Net (expenditure) / income before transfers and gains	(39,181)	13,295	(25,886)
Transfers between funds	13,295	(13,295)	-
	(25,886)	-	(25,886)
Other gains and losses			
Realised gains on the disposal of investments	748	-	748
Unrealised gains on market value of investments	360,358	41,613	401,971
Net movements in funds	335,220	41,613	376,833
Total funds brought forward	3,596,814	392,522	3,989,336
Total funds carried forward	3,932,034	434,135	4,366,169

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

11	EXPENDITURE ON CHARITABLE ACTIVITIES	Total 2018 £	Total 2017 £
	Direct Costs		
	Grants payable	152,958	150,440
	Support costs		
	Management fee	8,000	8,000
	Audit fees	3,122	3,064
	Legal and professional fees	(1,841)	(936)
	Other expenses	635	852
		<u>162,874</u>	<u>161,420</u>
12	GRANTS PAYABLE	2018 £	2017 £
	The amount payable in the year comprises:		
	Support to clergy -		
	42 grants (2017: 42) to dioceses (see below)	152,500	150,000
	5 grants (2017: 5) to Incumbents Sustentation Funds	458	440
		<u>152,958</u>	<u>150,440</u>

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

13	SUMMARY OF BLOCK GRANTS TO DIOCESES	2018 £	2017 £
	Bath and Wells	3,105	3,071
	Birmingham	4,968	4,838
	Blackburn	4,892	4,841
	Bristol	2,302	2,310
	Canterbury	2,232	2,346
	Carlisle	2,421	2,375
	Chelmsford	5,476	5,284
	Chester	4,731	4,589
	Chichester	4,855	4,735
	Coventry	2,392	2,285
	Derby	2,823	2,729
	Durham	4,544	4,438
	Ely	2,652	2,617
	Europe	2,000	2,000
	Exeter	3,309	3,305
	Gloucester	1,673	1,619
	Guildford	2,240	2,144
	Hereford	1,373	1,453
	Leicester	2,015	1,967
	Lichfield	6,063	6,037
	Lincoln	4,057	3,918
	Liverpool	5,952	5,836
	London	8,540	8,240
	Manchester	7,502	7,448
	Newcastle	2,868	2,795
	Norwich	3,437	3,412
	Oxford	4,607	4,440
	Peterborough	2,731	2,691
	Portsmouth	2,364	2,271
	Rochester	3,064	2,997
	St Albans	3,301	3,226
	St Edmundsbury & Ipswich	2,105	2,033
	Salisbury	2,285	2,280
	Sheffield	4,428	4,321
	Sodor and Man	224	230
	Southwark	4,398	4,233
	Southwell	3,260	3,251
	Truro	1,993	2,018
	West Yorkshire & The Dales	8,454	8,717
	Winchester	3,013	2,935
	Worcester	2,053	1,992
	York	5,798	5,733
	Total	<u>152,500</u>	<u>150,000</u>
14	AUDITORS REMUNERATION	2018 £	2017 £
	Fees payable for the audit of the financial statements	<u>3,120</u>	<u>3,064</u>

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2018

	Unrestricted Funds	Endowment Funds	Total Funds
15 ANALYSIS OF NET ASSETS BETWEEN FUNDS			
Investments	3,809,133	438,817	4,247,950
Current assets	143,540	-	143,540
Current liabilities	(3,962)	-	(3,962)
Net assets at 30 June 2018	<u>3,948,711</u>	<u>438,817</u>	<u>4,387,528</u>
	Unrestricted Funds	Endowment Funds	Total Funds
Investments	3,796,148	434,135	4,230,283
Current assets	139,600	-	139,600
Current liabilities	(3,714)	-	(3,714)
Net assets at 30 June 2017	<u>3,932,034</u>	<u>434,135</u>	<u>4,366,169</u>

16 COUNCIL'S REMUNERATION, EXPENSES AND RELATED PARTY TRANSACTIONS

The trustees all give their time and expertise freely without any form of remuneration or other benefit in cash or kind (2017 : £nil). During the year ended 30 June 2018 expenses amounting to £46 for travel (2017 : £363) were reimbursed to 1 (2017 : 3) member of the Council.

During the year a grant was paid to Guildford diocese of £2,240 (2017: £2,144) - Council member Canon Peter Bruinvels is a trustee of Guildford Diocesan Board of Finance. A grant was also paid during the year to St Edmundsbury and Ipswich diocese of £2,105 (2017: £2,033) - Council member Anthony Allwood is a trustee of St Edmundsbury and Ipswich Diocesan Board of Finance. There were no other related party transactions.

17 STAFF

The Charity does not have any employees (2017 : 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 2018

19 FINANCIAL INSTRUMENTS

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

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure		
Fixed asset listed investments (note 3)	4,247,950	4,230,283
	<hr/>	<hr/>
Financial assets that are debt instruments measured at amortised cost		
Other debtors	39,499	39,794
	<hr/>	<hr/>
Financial liabilities measured at amortised cost		
Accruals	3,962	3,714
	<hr/>	<hr/>