

The Queen Victoria Clergy Fund

COUNCIL'S REPORT

For the year ended 30 June 2024

Royal Patron: HM King Charles III

THE COUNCIL OFFICERS AND ADVISERS

COUNCIL

Canon Peter Bruinvels, CC. **Chairman**

Rosemary Lyon **Deputy Chairman**

Anthony Allwood, **Hon Treasurer**

John Brydon

Canon Robert Perry

Mary Talbot

SECRETARY

Stephanie Maurel

REGISTERED OFFICE AND PRINCIPAL OFFICE

Church House
Great Smith Street
London SW1P 3AZ

REGISTERED CHARITY 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
Bankside 300
Peachman Way
Broadland Business Park
Norwich, Norfolk NR7 0LB

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2024

The Council (who are also considered to be the Trustees for the purposes of charity law) presents its annual report and audited financial statements for the year ended 30 June 2024.

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. HM King Charles III became its Royal Patron on the 3rd May 2024.

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. This report covers the third of these five-year terms having been elected, at the Annual General Meeting 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. Council Members are forwarded regular updates from the Charity Commission and details of appropriate training courses, which a number of them attend.

Professional advisors

The Council previously resolved to review the appointment of each of its professional advisors formally during each quinquennium. As reported previously, the planned review of the investment manager was completed in August 2021 and the views expressed and recommendations were made, reported to the Council at their next meeting. The Council considers that all three advisors continue to fulfil their individual terms of reference and remains satisfied that no change is necessary at this time. However, it is planned that a review of its Investment Managers will take place during late Autumn 2024.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2024

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 and their families, 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 towards emergency medical care, including dental care, support for respite care for parents with large caring responsibilities including short weekend away breaks, assistance with repairs to modes of transport such as car servicing, including pedal bikes, new shoes and support for repairing household appliances including boilers and showers. Without exception, the Diocesan Bishops continue to express their heartfelt thanks for the grants made which as the Bishop of London wrote "make an exceptional difference to the clergy each year and it is greatly appreciated."

The Fund generated a total surplus in the year of £416,265 after accounting for unrealised gains on investments of £451,585. By comparison, in the year to 30 June 2023 the Fund generated a deficit of £12,239 after accounting for unrealised losses on investments of £30,361.

In the year to 30 June 2024, the capital value of the Fund's portfolio increased by £414,085 (2023: increased by £21,947).

During the year, the fund once again distributed £165,000 (2023: £165,000) to the dioceses in furtherance of the charity's aims, reflecting the cost of living crisis post-COVID. 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 £39,597 (2023: £9,700) from the sale of investments. It is anticipated that investments of around £134,800 will be sold to meet the income shortfall in the 2023/24 financial year and to maintain the increased level of distribution. In considering the amount of capital transferred to income, the Council continues to balance the current needs of beneficiaries with the likely needs of future beneficiaries.

The trustees are most grateful for the presence and prayers of the Bishop of Manchester at General Synod York over the previous year's meeting. The Rt Revd David Walker separately spoke positively about how the Queen Victoria Clergy Fund grants had made such a difference in his Diocese to clergy in need and personally thanked the Trustees and Council Members for their continued support.

Following a letter of congratulations to His Majesty King Charles III on his accession as the Council was meeting that same day and the accompanying book about the Queen Victoria Clergy Fund entitled 'A Centenary History', a pleasing response was received. It was announced from Buckingham Palace on 3rd May 2024 that HM King Charles III had accepted our invitation to become its Royal Patron. The trustees are honoured by his patronage.

FUTURE PLANS

The Council intends to continue its annual grants to dioceses to enable them to give further support to clergy in need. The Council has resolved to offer total grant distributions in 2024/25, of £150,000.

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2024

INVESTMENT POLICY

Following a review of the Investment Policy, the maintain with effect from 1 July 2021, the composite benchmark at 7.5% ICE BofAML Sterling Corporate Bond Index; 7.5% ICE BofAML Gilts All Stocks Index; 10% MSCI AC World (ex UK) (local currency) £ Index; 40% MSCI AC World (ex UK) (Net Total Return) Index; 5% MSCI All Balanced Property Funds Index (1 Quarter lagged); 20% MSCI UK IMI (Net Return) Index; 10% SONIA +2%.

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 reaffirmed by the Trustees 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.

INVESTMENT PERFORMANCE

Over the twelve months to 30th June 2024, the Fund's return, net of fees, was +13.2%. This compares to the ARC Steady Growth Peer Group return of +11.0% and composite benchmark return of +15.9% over the same period. Encouragingly, with UK inflation having fallen steadily this year, the Fund has produced returns more than twice that of its long-term UK CPI +4% target (+ 6.1% over the same period). The Fund's returns over 3 and 5 years is +3.7% p.a. and +6.5% p.a. respectively, which again places it ahead of the peer group returns of +2.6% p.a. and +4.5% p.a., albeit behind the composite benchmark returns, not inclusive of fees, of +6.1% and +7.7% p.a.

The second half of 2023 saw subdued returns across most major asset classes. UK inflation rates, which had peaked last year, fell significantly to 6.7% by August which significantly benefited corporate bonds. The strong performance of the 'Magnificent 7' continued to dominate the market which made it challenging for diversified portfolios to maintain pace with such a concentrated equity index. As a result, the Fund recorded a total return of +4.9% for the period, underperforming the benchmark, which returned +6.6%. Key changes during this time included increasing exposure to technology companies (notably key beneficiaries of the growth in AI) and selling stocks primarily on valuation concerns (e.g. Palo Alto Networks). Our alternatives exposure detracted from overall returns, with gold and absolute return funds providing some relief but not offsetting the weakness experienced within infrastructure and renewables, as higher interest rates increased financing costs and encouraged investors into higher yielding/lower risk fixed income assets.

In the first half of 2024, the Fund rebounded significantly. Firstly, a notable rally in both equity and bond markets was driven by a sharp decline in US inflation and indications that the Federal Reserve had reached peak interest rates. Bond investments were particularly strong as yields began to fall, although our preference for corporate bonds over gilts allowed us to profit from the c1% spread, having been reassured by the strength of corporate balance sheets. Our thematic equity selection performed well amidst the broader market rally and international equities outperformed the UK market, as our shift to a global equity approach proved advantageous. Alternatives saw modest returns due to further improvements in gold and narrowing discounts in both renewables and infrastructure funds, although they remained relatively weak compared to our other exposure to this asset class.

Over the period we have seen increased volatility due to geopolitical tensions, including the ongoing Israel-Hamas conflict and the volatile US presidential election campaign. Although short-term market volatility presents a challenge, our forecasts for interest rate cuts in the second half of 2024 remain on track and our emphasis on quality and liquidity remains important as geopolitical risks rise. We expect the high-quality companies held across the Fund to be well placed to continue growing their earnings and dividends, in spite of slower economic growth.

As at 16th September 2024, the investments were valued at £5,142,179

The Queen Victoria Clergy Fund

COUNCIL'S REPORT (continued)

For the year ended 30 June 2024

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 2024 total funds of the Council amounted to £5.13 m (2023: £4.71 m). Of this, £5,03m (2023: £4.61m) is represented by the value of long-term investments. The underlying yield of the Fund's portfolio was 2.8% as at 30 June 2024 (2023: 2.9%).

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 through quarterly investment updates, 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, but not for the foreseeable future.

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 10 February 2025.

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 Council's Report 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 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 10 February 2025

Canon Peter Bruinvels CC
Chairman

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE QUEEN VICTORIA
CLERGY FUND
For the year ended 30 June 2024

Opinion

We have audited the financial statements of The Queen Victoria Clergy Fund (the 'charity') for the year ended 30 June 2024 which comprise of the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including 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 2024, 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 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, 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 course of 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 themselves. 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 2024

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 Council's report is inconsistent in any material respect with the financial statements; 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 6, the trustees are responsible for the preparation of financial statements and for being satisfied that they 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 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 the Act and relevant regulations made or having effect there under.

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 rationale of significant transactions outside the normal course of activities, 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 2024

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 is available 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
Chartered accountants & statutory auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich, Norfolk
NR7 0LB

16 February 2025

Lovewell Blake LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of the Companies Act 2006

The Queen Victoria Clergy Fund

BALANCE SHEET

As at 30 June 2024

	<i>Notes</i>	2024 £	2023 £
FIXED ASSETS			
Investments	3	5,027,402	4,613,317
CURRENT ASSETS			
Cash at bank and on deposit	5	87,877	73,305
Debtors	6	33,907	36,895
		121,784	110,200
Creditors: Amounts falling due within one year	7	(23,235)	(13,831)
NET CURRENT ASSETS		98,549	96,369
NET ASSETS		5,125,951	4,709,686
REPRESENTED BY:			
Unrestricted funds	8	4,585,972	4,216,457
Endowment funds	9	539,979	493,229
Total funds		5,125,951	4,709,686

The financial statements on pages 10 to 20 were approved by the Council and authorised for issue on 10 February 2025 and signed on its behalf by:

Chairman – Canon Peter Bruinvels CC

Trustee – Anthony Allwood

Secretary – Stephanie Maurel

The Queen Victoria Clergy Fund

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 30 June 2024

	<i>Notes</i>	Unrestricted Funds £	Endowment Funds £	Total 2024 £	Total 2023 £
INCOME AND EXPENDITURE					
Income from:					
Income on investments		124,819	14,413	139,232	132,691
Interest on deposit		2,943	-	2,943	773
Total income		<u>127,762</u>	<u>14,413</u>	<u>142,175</u>	<u>133,464</u>
Expenditure on:					
Charitable activities		<u>177,013</u>	<u>470</u>	<u>177,483</u>	<u>176,000</u>
Total expenditure	11	<u><u>177,013</u></u>	<u><u>470</u></u>	<u><u>177,483</u></u>	<u><u>176,000</u></u>
Net (expenditure) / income before transfers and gains / (losses)		(49,251)	13,943	(35,308)	(42,536)
Transfers between funds		13,943	(13,943)	-	-
Net (expenditure) after transfers and before gains / (losses)		<u>(35,308)</u>	<u>-</u>	<u>(35,308)</u>	<u>(42,536)</u>
Other gains and (losses)					
Realised (losses) / gains on the disposal of investments		(12)	-	(12)	(64)
Unrealised gains / (losses) on market value of investments		404,835	46,750	451,585	30,361
Net movements in funds		<u>369,515</u>	<u>46,750</u>	<u>416,265</u>	<u>(12,239)</u>
Total funds brought forward 1 July 2023		<u>4,216,457</u>	<u>493,229</u>	<u>4,709,686</u>	<u>4,721,925</u>
Total funds carried forward 30 June 2024	<i>8/9</i>	<u><u>4,585,972</u></u>	<u><u>539,979</u></u>	<u><u>5,125,951</u></u>	<u><u>4,709,686</u></u>

All income and expenditure derive from continuing activities.
An analysis by fund of the comparative figures for 2023 is shown in note 10.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

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.

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 2024

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.

3 INVESTMENTS

	2024	2023
	£	£
Market value at 1 July 2023	4,613,317	4,591,370
Additions	2,109	1,350
Disposals	(39,609)	(9,764)
Unrealised gain / (loss) in the year	451,585	30,361
Market value 30 June 2024	<u>5,027,402</u>	<u>4,613,317</u>
Historical cost as at 30 June 2024	<u>2,703,371</u>	<u>2,724,654</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

The investments above are held in the Sarasin Endowments Fund.

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

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.

4	REALISED GAIN ON SALE OF INVESTMENTS	2024 £	2023 £
	Sale proceeds from sale of investments	39,597	9,700
	Less: original cost	(23,392)	(5,805)
	Profit on original cost	<u>16,205</u>	<u>3,895</u>
	Less: unrealised gain previously recognised	(16,217)	(3,959)
	Realised (loss) / gain on sale of investments	<u>(12)</u>	<u>(64)</u>
5	CASH AT BANK AND ON DEPOSIT	2024 £	2023 £
	Barclays Bank Current account	12,180	6,161
	Barclays Bank Base Rate Reward account	489	482
	Sarasin & Partners Sterling Investment account	75,208	66,662
		<u>87,877</u>	<u>73,305</u>
6	DEBTORS	2024 £	2023 £
	Accrued investment income and bank interest	33,907	33,907
	Prepayments	-	2,988
		<u>33,907</u>	<u>36,895</u>

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2024

	2024	2023
	£	£
7	CREDITORS: Amounts falling due within one year	
	470	441
	Grants payable	441
	22,765	13,390
	Accruals	13,390
	<u>23,235</u>	<u>13,831</u>
	<u><u>23,235</u></u>	<u><u>13,831</u></u>
8	UNRESTRICTED FUNDS	
	2024	2023
	£	£
	4,216,457	4,238,740
	Balance brought forward 1 July 2023	4,238,740
	(35,308)	(42,536)
	(Deficit) for the year	(42,536)
	(12)	(64)
	Realised (loss) / gain on sale of investments	(64)
	404,835	20,317
	Unrealised gain / (loss) in market value for the year	20,317
	<u>4,585,972</u>	<u>4,216,457</u>
	Balance carried forward 30 June 2024	4,216,457
	<u><u>4,585,972</u></u>	<u><u>4,216,457</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
	2023	gain	2024
	£	£	£
9	ENDOWMENT FUNDS		
	4,565	433	4,998
	Priors Hardwick Trust	433	4,998
	46,200	4,379	50,579
	RA Clement Trust	4,379	50,579
	127,384	12,074	139,458
	Incumbents' Sustentation Fund	12,074	139,458
	2,645	251	2,896
	Endowment Capital Trust	251	2,896
	104,871	9,940	114,811
	Miss RLJ Stallard Bequest	9,940	114,811
	23,399	2,218	25,617
	Tithe Redemption Trust	2,218	25,617
	184,165	17,455	201,620
	AD Yorke Legacy	17,455	201,620
	<u>493,229</u>	<u>46,750</u>	<u>539,979</u>
	<u><u>493,229</u></u>	<u><u>46,750</u></u>	<u><u>539,979</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 2024 the transfer amounted to £13,943 (2023: £13,925).

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2024

10 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

	Unrestricted Funds £	Endowment Funds £	Total £
Income from:			
Income on investments	118,955	13,736	132,691
Interest on deposit	773	-	773
Total income	<u>119,728</u>	<u>13,736</u>	<u>133,464</u>
Expenditure on:			
Charitable activities	175,559	441	176,000
Total expenditure	<u>175,559</u>	<u>441</u>	<u>176,000</u>
Net (expenditure) / income before transfers and gains	(55,831)	13,295	(42,536)
Transfers between funds	13,295	(13,295)	-
Net (expenditure)/ income after transfers and before gains	<u>(42,536)</u>	<u>-</u>	<u>(42,536)</u>
Other gains and losses			
Realised gains on the disposal of investments	(64)	-	(64)
Unrealised gains on market value of investments	20,317	10,044	30,361
Net movements in funds	<u>(22,283)</u>	<u>10,044</u>	<u>(12,239)</u>
Total funds brought forward	<u>4,238,740</u>	<u>483,185</u>	<u>4,721,925</u>
Total funds carried forward	<u><u>4,216,457</u></u>	<u><u>493,229</u></u>	<u><u>4,709,686</u></u>

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

11	EXPENDITURE ON CHARITABLE ACTIVITIES	Total	Total
		2024	2023
		£	£
	Direct Costs		
	Grants payable	165,457	165,441
	Support costs		
	Management fee	8,000	8,000
	Audit fees	5,964	3,742
	Legal and professional fees	(2,099)	(2,349)
	Other expenses	161	1,166
		177,483	176,000
		<hr/> <hr/>	<hr/> <hr/>
12	GRANTS PAYABLE	2024	2023
		£	£
	The amount payable in the year comprises:		
	Support to clergy -		
	42 grants (2023: 43) to dioceses (see below)	165,000	165,000
	5 grants (2023: 5) to Incumbents Sustentation Funds	457	441
		165,457	165,441
		<hr/> <hr/>	<hr/> <hr/>

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2024

13	SUMMARY OF BLOCK GRANTS TO DIOCESES	2024 £	2023 £
	Bath and Wells	3,560	3,548
	Birmingham	5,946	5,854
	Blackburn	6,044	5,976
	Bristol	2,438	2,465
	Canterbury	2,326	2,320
	Carlisle	2,269	2,246
	Channel Islands	-	651
	Chelmsford	5,950	5,972
	Chester	5,336	5,276
	Chichester	5,591	5,540
	Coventry	2,576	2,571
	Derby	3,000	2,988
	Durham	5,243	5,283
	Ely	2,645	2,641
	Europe	2,200	2,200
	Exeter	3,349	3,315
	Gloucester	1,808	1,792
	Guildford	2,588	2,568
	Hereford	1,552	1,539
	Leicester	2,194	2,191
	Lichfield	6,055	6,003
	Lincoln	4,492	4,442
	Liverpool	6,082	6,057
	London	8,126	8,185
	Manchester	8,784	8,878
	Newcastle	3,510	3,466
	Norwich	3,626	3,588
	Oxford	5,213	5,227
	Peterborough	2,708	2,681
	Portsmouth	2,436	2,519
	Rochester	3,284	3,348
	St Albans	3,408	3,455
	St Edmundsbury & Ipswich	2,041	2,026
	Salisbury	3,101	2,479
	Sheffield	5,106	5,105
	Sodor and Man	255	253
	Southwark	4,850	4,722
	Southwell	3,647	3,589
	Truro	1,825	1,846
	Leeds	8,876	9,119
	Winchester	2,757	2,824
	Worcester	1,755	1,793
	York	6,448	6,459
	Total	<u>165,000</u>	<u>165,000</u>

The Queen Victoria Clergy Fund
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2024

14	AUDITORS REMUNERATION	2024	2023
		£	£
	Fees payable for the audit of the financial statements	5,964	3,742
		<u> </u>	<u> </u>
		Unrestricted Funds	Endowment Funds
			Total Funds
15	ANALYSIS OF NET ASSETS BETWEEN FUNDS		
	Investments	4,487,423	539,979
	Current assets	121,784	-
	Current liabilities	(23,235)	-
	Net assets at 30 June 2024	<u>4,585,972</u>	<u>539,979</u>
		<u> </u>	<u> </u>
		Unrestricted Funds	Endowment Funds
			Total Funds
	Investments	4,120,088	493,229
	Current assets	110,200	-
	Current liabilities	(13,831)	-
	Net assets at 30 June 2023	<u>4,216,457</u>	<u>493,229</u>
		<u> </u>	<u> </u>
16	COUNCIL'S REMUNERATION, EXPENSES AND RELATED PARTY TRANSACTIONS		
	<p>The council members all give their time and expertise freely without any form of remuneration or other benefit in cash or kind (2023: £nil). During the year ended 30 June 2024 £nil expenses were reimbursed to members of the Council (2023: £nil expenses were reimbursed to members of the Council).</p> <p>During the year a grant was paid to Guildford diocese of £2,588 (2023: £2,568) - 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 £2,041 (2023: £2,026) - Council member Anthony Allwood is a trustee of St Edmundsbury and Ipswich Diocesan Board of Finance, £2,200 (2023: £2,200) to Diocese of Europe – Council member Mary Talbot is a trustee and £1,825 (2023: £1,846) to Diocesan of Truro – Council member Canon Robert Perry is a trustee, Norwich diocese of £3,626 (2023: £3,588) - Council member John Brydon is a trustee, Blackburn diocese of £6,044 (2023: £5,976) - Council member Rosemary Lyons is a trustee. There were no other related party transactions.</p>		
17	STAFF		
	<p>The Charity does not have any employees (2023: Nil).</p>		

The Queen Victoria Clergy Fund

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

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.

19 FINANCIAL INSTRUMENTS

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

	2024	2023
	£	£
Financial assets measured at fair value through income and expenditure		
Fixed asset listed investments (note 3)	5,027,402	4,613,317
	<u>5,027,402</u>	<u>4,613,317</u>