

Report and Financial Statements
For the year ended 31 December 2018



Formerly known as Sons & Friends of the Clergy



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The Charity for Relief of the Poor
Widows and Children of Clergymen

Charity registered in England and
Wales charity number 207736

Patron:

Her Majesty the Queen

Honorary Presidents:

The Archbishop of Canterbury
The Archbishop of York
The Bishop of London

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A message from the Treasurers

It has been another year of change and progress at Clergy Support Trust, and we are delighted to commend to our Governors, beneficiaries, supporters, partners and other stakeholders this Trustees' report for 2018.

The most obvious change is in our working name. The registered name of the Charity in the 1678 Royal Charter is as long and as archaic as it is unmemorable: the Governors of the Charity for Releefe of the Poore Widdowes and Children of Clergymen. This has remained unchanged through the centuries, but it is no surprise that by the eighteenth century the Charity had become known in common parlance as the Corporation of the Sons of the Clergy, or even just 'the Corporation' or 'the Sons'. This reflected the Charity's connection with the Festival of the Sons of the Clergy which started in 1655. When the Sons merged with the Friends of the Clergy Corporation in 2012, the simplest solution was to combine the two names, which led to the new working name of Sons & Friends of the Clergy. But even this name was confusing: it hardly described the breadth of the Charity's work with clergy and their families, and was quite off-putting to women clergy, who now make up almost a third of those in ordained ministry in the Church of England.

So in March 2019, after extensive consultation with our beneficiaries, we changed our working name to Clergy Support Trust. Initial reactions from our beneficiaries have been very positive. We hope that this new name, together with fresh branding, an accessible and user-friendly website and a commitment to do much more to promote our services, will mean that we are able to reach many more clergy households in the future.

We also took the opportunity of the March 2019 re-launch to publish our first multi-annual strategy, a four-year plan running to 2022. Our key goals for this period are set out on page 8 below, and the full version of the strategy document can be found on our new website, www.clergysupport.org.uk.

We exist to support the clergy, and we do this mainly through the making of grants to Anglican clergy and their families in financial or other need. The grant-making highlights of the last year (compared to 2017) have included the following:

- Total grant spend broadly flat year-on-year at £2.58m (2017: £2.66m).
- The total number of grants (excluding ordinands and organisations) was up 3.4% to 547 (2017: 529)
- We estimate that total beneficiaries (including clergy dependants) in the year were 2,334 (2017: 2,397).
- We increased our support for Anglican ordinands slightly to £181k (2017: £176k), but started giving this support in new ways: through a very popular free 'Ordinand Library' resource and health grants rather than through the small ordinand grants which we began to phase out.
- Support for the divorced or separated spouses/partners of Anglican clergy (£284k), and for clergy widow(er)s (£195k), remained at similar levels to 2017.
- Continued partnerships with four organisations (the Society of Mary & Martha, Holy Rood House, the College of St Barnabas and Terrys Cross House) and a new partnership with SPCK Publishing in relation to the Ordinand Library.

We have the resources to commit up to £3m in grants annually, but have not been able to spend this amount in the last few years as the Charity's grant-making activities have been in a period of transition, and we needed the re-branding and re-launch of the Charity in March 2019 as a platform to reach out to more potential beneficiaries. We will be introducing a new and more focused approach to grant-making from July 2019, with a more objective method of means-testing clergy households for financial support grants, a new initiative to help clergy with debt problems, and greater responsiveness when it comes to health and wellbeing grants.

We continue to rely heavily on our investment portfolio for income, and although market volatility towards the end of the year impacted the capital value of our investments (down almost 11% to £100.8m), investment income actually increased by 8% to £4.1m. We are grateful to our investment managers for their continued efforts on our behalf.

Four trustees retired from the Court of Assistants in November 2018: the Rt Revd David Rossdale (who also stood down as Senior Treasurer), Ms Alex Brougham (who stood down as Treasurer), Lady Mawer and Ms Jill Sandham. We express our thanks to these retiring trustees for their service and commitment to the Charity. It was a pleasure to welcome four new trustees to the Court, who for the first time were recruited through an open and transparent recruitment process which targeted particular skills needed by the board. The Revd Canon Simon Butler joined the Court as its first externally-recruited Senior Treasurer, while Mr Richard Farmbrough and Mr Jeremy Hargreaves (both existing Governors) and Ms Jackie Jordan joined the Court as trustees. At the Annual General Court meeting in November 2018 the Archbishop of York and the Bishop of London were elected as Honorary Presidents of the Charity, in addition to the Archbishop of Canterbury who was so elected in 2017.

We take this opportunity to thank our fellow Trustees and Governors, the management and staff, the Festival Stewards and our other supporters for their contributions over the last year.

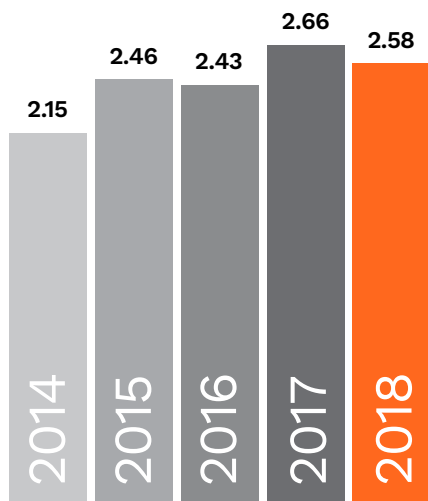
The Revd Canon Simon Butler
Senior Treasurer

The Ven Christine Allsopp
Treasurer

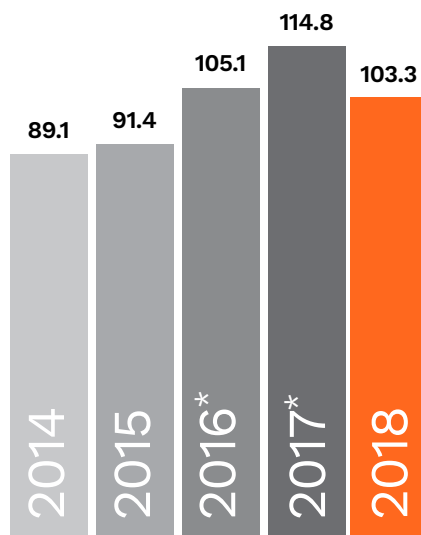
The Revd Dr Jack Dunn
Treasurer

The Charity in numbers

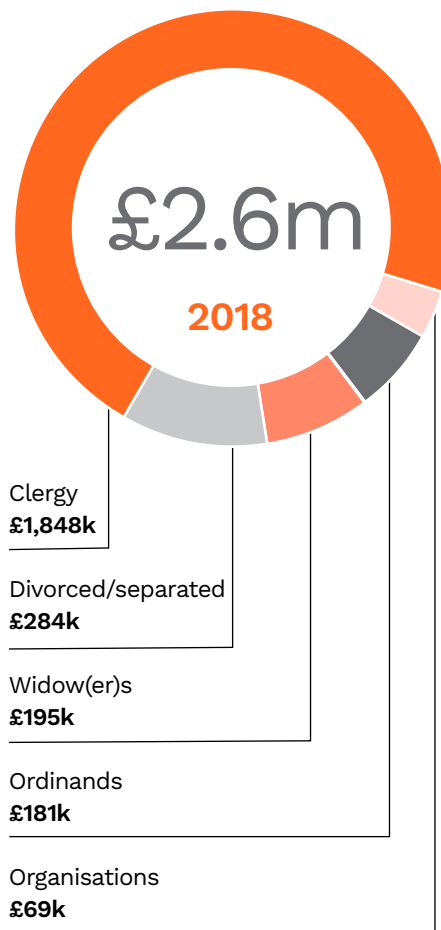
Grants expenditure (£m)



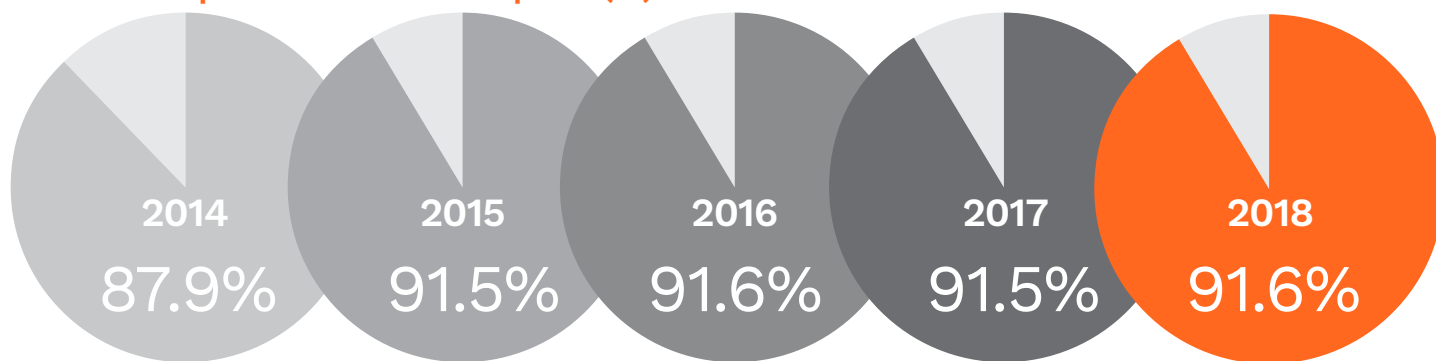
Total funds (£m)



2018 Grants spend by beneficiary type (£k)



Charitable spend as % of total spend (%)



The above figures are taken from the audited results for the Charity for the years from 2014 to 2018. Further commentary on the 2018 results can be found in the 'Financial review' section on pages 12 to 13. In the pages that follow, we give details of what we achieved in 2018, and set out our plans for 2019 and beyond.

*Total funds have been restated to include a prior year adjustment of £0.9k as a result of the reclassification and revaluation of the residential component of 1 Dean Trench Street (see Note 21).

Objectives, activities and public benefit

Clergy Support Trust ("the Charity"), formerly known as Sons & Friends of the Clergy, is a charity set up by Royal Charter dated 1 July 1678 and registered in England & Wales (number 207736). The Charity is governed by a board of trustees ("the Trustees"), known under the Royal Charter as the Court of Assistants.

The Trustees are pleased to present their Annual Report, together with audited financial statements, for the year ended 31 December 2018.

Objects and principal activities of the Charity

The Charity was originally established in 1655 by sons of clergymen to raise funds for destitute Anglican clergy who had lost their livings under Oliver Cromwell. The current objects of the Charity were established in 2012 through Charity Commission Schemes and an Order in Council as part of the amalgamation, effective 1 January 2013, of the Corporation of the Sons of the Clergy and the Friends of the Clergy Corporation, which itself was incorporated by Act of Parliament in 1849. The objects were further amended by an Order in Council effective 15 November 2017 and now read as follows:

'The Charity shall apply the clear yearly income and at its discretion the whole or part of the property of the Charity for the public benefit in providing assistance to beneficiaries, whether directly or indirectly, in such manner as and by such means as the Court of Assistants from time to time in their absolute discretion think fit for the relief or prevention of poverty or hardship or for the relief of illness, and the promotion of health, whether physical or mental. "Beneficiaries" means members of the clergy, ordinands and the spouses, former spouses, children and dependants of living or deceased members or former members of the clergy or ordinands.

- a) "children" includes adopted children, step-children and persons treated as the children of a marriage or civil partnership.
- b) "civil partners" means the members of a civil partnership within the meaning of Section 1 (1) of the Civil Partnership Act 2004.
- c) "clergy" and "members of the clergy" means bishops, priests and deacons of the Anglican Communion.
- d) "ordinands" means persons who are preparing for ordination as members of the clergy.
- e) the "spouse" of a person means his or her wife, husband, civil partner, widow, widower or surviving civil partner."

The main focus of the Charity is to provide assistance in the form of discretionary cash grants to retired and serving clergy in the Church of England, the Church in Wales, the Episcopal Church of Scotland and the Church of Ireland, together with the dependants of such clergy. In addition we provide support to those training for ordained Anglican ministry (ordinands).

Grants are made at the full discretion of the Charity to beneficiaries in the furtherance of the above objects. Applicants for financial support grants are asked to complete an application form giving details of their household's financial circumstances and the Charity takes this information into account when considering applications and awarding grants. Applications for health-related grants are usually assessed by the Charity's medical adviser, a retired General Practitioner.

There continues to be growing interest in the wellbeing of Anglican clergy and their families, and in November 2017 a working group (chaired by the Revd Canon Simon Butler, who became Senior Treasurer of the Charity in November 2018) was established by the General Synod of the Church of England to consider what subsequently became known as a 'covenant for clergy care and wellbeing'. A draft consultation document was published by the working group in September 2018 and the Charity submitted a response to this consultation in December 2018. A final version of the document was discussed at the July 2019 session of General Synod.

Achievements, performance and future plans

Public benefit

In carrying out these activities the Trustees have complied with the duty under section 17(5) of the Charities Act 2011 to have regard to the Charity Commission's guidance on public benefit and they are satisfied that the Charity fulfils its fundamental objects and so provides public benefit.

Volunteers

The Trustees are the only volunteers directly involved in the work of the Charity. All the Trustees give their time voluntarily and receive no personal benefit from the Charity. Further information on the Trustees is included in the Governance section below. Details of Trustees' expenses reclaimed from the Charity are set out in Note 9 to the financial statements.

Grant-making

Our principal charitable activity in 2018 continued to be the making of cash grants to Anglican clergy or ordinands, or their dependants, in times of financial hardship or other difficulty. All grants are provided at the absolute discretion of Trustees. We gave out 1,054 grants in the year (2017: 1,035), and additionally, in partnership with SPCK, provided our Ordinand Library resource to 455 Anglican ordinands (2017: nil). The total value of grant support in the year of £2,578k (2017: £2,663k) was broken down as follows:

Financial support grants - £1,994k (2017: £1,981k) –

Financial support grants are made to serving or retired clergy households where the stipend, pension or other household income are insufficient. We means-test such applications using an in-house benchmarking methodology, based on the National Minimum Stipend, which will be substantially revised from July 2019. This heading also included £284k (2017: £283k) in grants given to the divorced or separated spouses of Anglican clergy.

Educational grants - £192k (2017: £285k) – The Charity provides support for the school fees of Anglican clergy families where a special educational need is confirmed by the Charity's education adviser. From January 2018 the Charity began to phase out its previous support (£1,500 per child per annum) for clergy children in higher education when the family as a whole was eligible for our financial support, which is why the total figure for educational grants was reduced in 2018.

Ordinand grants - £181k (2017: £176k) – From September 2018 the Charity began to phase out its previous policy of giving small grants to those training for ordained ministry in the Church of England whose personal income fell below a certain level. We gave 505 such grants in 2018 (2017: 504 grants) and we plan for this number to reduce to zero over the next two years. From September 2018 we introduced two new ways of supporting Anglican ordinands in the UK and Ireland. The first was a free online Ordinand Library resource, in partnership with SPCK Publishing, to whom we pay a fee dependent on the number of ordinands who sign up. The resource, which makes available over 1,000 books from the SPCK and IVP back catalogues, proved very popular with theological education institutions and by the end of 2018 we had paid SPCK for 455 ordinand sign-ups. We also made health grants available to Anglican ordinands for the first time, and approved one such grant towards the end of the year.

Nursing and care home fees - £74k (2017: £81k) – The Charity continues to provide support for the nursing or care home costs of a limited number of retired clergy or their spouses.

Other support - £139k (2017: £140k) – This includes support for retired and serving Anglican clergy, or their dependants, in relation to needs including medical costs, resettlement and housing expenses, debt relief, accessibility modifications, relationship counselling and bereavement support.

Included in the above figures are grants to four partner organisations. Further details can be found in Note 7 to the financial statements on page 26.

Our overall grants spend in 2018 was slightly down on the previous year, despite the number of grants increasing, because of a number of changes in the way we make grants, to make them more focused on the areas of greatest need. As detailed above, we began to phase out university maintenance support and ordinand grants. In addition, from January 2018 we started to phase in a new criterion, whereby grants would not normally be made to any applicant, whether serving or retired clergy or current or former dependant, where the household had savings in excess of £16k and where there was also one or more owned property. We continue to exempt from this savings threshold those clergy who do not own property, on the basis that many stipendiary clergy in tied housing will be saving for their own home in retirement.

We plan further significant changes to our grant-making policies from July 2019, and these are outlined under Plans for the Future on page 8 below. These changes will be combined with the re-branding and re-launch of the Charity in March 2019 with the aim of reaching more Anglican clergy households in need of our support.

Governance

New governance arrangements were implemented from January 2018, with a restructured committee system (see page 9 below) and with more delegation of grant-making decisions to staff, on the basis of a trustee-approved grant-making policy. As a result, of the 1,054 grants approved in the year, 946 were approved by staff on the basis of their delegated authority, while 108 were considered and approved by trustees on the basis of advice from staff and the educational and medical advisers. This enabled trustees to spend more time focusing on issues of strategy, governance and risk, and meant that the number of substantive Court of Assistants meetings in the year could be reduced from eleven to six. A further five short Court meetings were held with the single agenda item of considering grant applications which fell outside the staff's delegated authority. This process will be further streamlined in 2019.

Another new governance feature in 2018 was the decision to use an external search firm and a formal skills-based recruitment process to look for new trustees to replace those who were retiring. As a result, we were able to recommend to the annual meeting of Governors in November 2018 four new trustees, including our first externally recruited Senior Treasurer (chair of the board), the Revd Canon Simon Butler.

Royal Charter

In April 2018 trustees agreed to begin work with lawyers on a major revision of our 1678 Royal Charter, much of which is no longer fit for purpose as a modern charity constitution, despite the amendments of 1971, 2012 and 2017 (the last of which expanded our charitable objects to include 'the promotion of health'). A consultation note was shared with the Charity's Governors and discussed with them at the Annual General Court meeting in November 2018. It received broad support from Governors and led to a 'Statement of Intent regarding the Royal Charter' being submitted to the Privy Council Office in December 2018. We hope this work will be completed and an updated Royal Charter agreed, subject to approval by the Governors and by Her Majesty on the advice of the Privy Council Office, by the end of 2019.

Marketing and communications

Historically the main marketing focus of the Charity has been on the annual Festival Service which takes place at St Paul's Cathedral each May. The 364th Festival was held on 15 May 2018 and was well attended by Stewards, Livery Companies, representatives of the Church and other supporters. The choirs of St Paul's and Chelmsford and Gloucester Cathedrals led the worship, while the preacher was the newly installed Bishop of London, the Rt Revd Dame Sarah Mullally. The service was followed by the traditional Festival Dinner at Merchant Taylors' Hall. Trustees and staff continue to review how future Festivals can be better used to promote the mission of the Charity.

Pension fund

The Charity made further progress in the year towards winding up its defined benefit pension scheme (The Corporation of the Sons of the Clergy Retirement Benefit Scheme). There are no active or deferred members remaining in the Scheme and all annuities have now been assigned out to the individual pensioner members. Further information about the accounting provision for the costs of completing the wind-up can be found in Note 18 of the financial statements. It is hoped that the wind-up will be completed by the middle of 2019.

Plans for the future

We plan significant developments in 2019 and beyond. The re-launching of the Charity in March 2019, with a new website and fresh four-year strategy to 2022, and our re-branding as Clergy Support Trust, offer a unique opportunity to bring the work of the Charity to a wider audience of potential beneficiaries than previously was the case. This will be supported by increased investment in marketing and communications, led by our Chief Executive and our recently appointed part-time Marketing & Communications Manager. At the same time Trustees will be working to streamline and improve the governance of the Charity, building on the changes already introduced in 2017 and 2018 and culminating in an updated Royal Charter which, as stated above, we hope will be in place by the end of the year.

We state in our four-year strategy that we aim to spend an average £3 million a year on grants and other direct charitable services over the next four years, that is at least £12 million over the period. This will be on the basis of a completely new approach to grant-making and charitable activities which we intend to introduce from July 2019, with the aim of making our work more focused and responsive to the needs of Anglican clergy and their families today.

Achievements, performance and future plans (cont.)

In particular, and in many cases using a new means-testing methodology based on a clergy adaptation of the nationally-recognised 'Minimum Income Standard', we will be focusing our financial support work in the following three areas:

- Financial Support Grants of up to £3,000 per clergy household per year, to be used for general living expenses.
- Emergency Grants of up to £500 per clergy household per application (maximum two applications per year), to be used for emergency situations where there is a sudden unexpected cost. The application process for these grants will be shorter than for Financial Support Grants, and we would hope to be able to disburse such grants within a shorter timeframe.
- Debt Grants may also be available on a 'once-only' basis to clergy households which are struggling with unsustainable levels of personal debt.

We will also increase the availability of Health Grants to eligible beneficiaries, responding to situations where NHS treatment identified by a GP is unavailable or waiting lists are unreasonable, and where such an intervention by the Charity would make a significant difference, or would enable a serving member of the clergy to return to ministry more quickly. Grants will also be available for a wide range of wellbeing purposes, including family counselling, holidays, respite breaks and post-trauma support.

We hope to do much more in the area of strategic partnerships with other organisations engaged in clergy wellbeing, and will seek to become a thought leader in the field of clergy wellbeing, stimulating research and debates which will contribute to discussion within the Church and other relevant organisations around the issues and promoting initiatives which deal with financial hardship and physical and mental health.

The charity's overall strategic goals for the next four years are as follows:

1. To increase awareness of our work among beneficiaries and other stakeholders, and increase the number of people who come to us for help.
2. To at least double the number of beneficiaries we support each year from the 2018 level (excluding ordinands) of 547.
3. To develop a greater understanding and measurement of our charitable impact, and to communicate this to all stakeholders.
4. To improve our internal governance, most particularly by having an updated Royal Charter and by renewing the board (Court of Assistants) and making it more diverse.
5. To focus more on strategic partnerships – clearly defining areas for potential new partners to help us deliver our charitable goals.
6. To begin the process of diversifying income beyond investment income through targeted legacy and other fundraising campaigns.

We hope to report progress against these strategic goals in future Trustees' Reports.

Governance

Court of Assistants

The overall management of the Charity is vested in the Court of Assistants (“the Court”), which consists of the Trustees of the Charity. The Trustees who served during the year and up to the date of this report are listed under ‘Reference and Administrative Details’ on pages 14. The Court met eleven times in 2018 (each month apart from January, when there was an informal trustee/staff awayday) in order to conduct the principal business of the Charity.

The members of the Court are elected each year by the Governors of Clergy Support Trust at the Annual General Court in accordance with the Royal Charter. The officers of the Charity, known as the Treasurers, are also elected by the Governors at the Annual General Court.

The Court delegates some of its responsibilities to committees with agreed terms of reference which are reviewed annually. The committees were restructured in January 2018 so as to create a dedicated investment committee and also a standing committee focused on governance matters. The four committees met as follows:

- Governance Committee (chaired by David Rossdale) – met four times to consider governance issues, including the recruitment of new Trustees.
- Grants Committee (chaired by Christine Allsopp) – met four times to consider the Charity’s grant-making activities.
- Investment Committee (chaired by Patrick Walker) – met three times to consider investment policy and review the performance of the Charity’s investment managers.
- Risk, Audit & Finance Committee (chaired by Alex Brougham) – met five times to oversee all matters relating to risk, internal and external audit and finance.

Ad hoc working groups that met during the year included those considering clergy debt, the annual Festival, the revision of the Royal Charter and strategy, together with a trustee appointments panel.

Trustee recruitment and induction

The Trustees keep their membership under review in order to ensure a wide and relevant representation within their number. New members are normally recruited from within the relevant skill areas in order to bring to the Court people who not only have the experience and expertise that are needed but who are also sympathetic to the work of the Charity. All new Trustees are provided with an induction which comprises meetings with one or more of the Officers of the Charity and the Chief Executive and the provision of relevant background documentation.

Trustee attendance

The table overleaf sets out the attendance of Trustees at meetings of the Court and its committees during 2018.

Governance (cont.)

	Court of Assistants ¹		Committees ^{2,3}		Total	
	Total	Attended	Total	Attended	Total	Attended
The Venerable Christine Allsopp ^{4,5,6,7}	12	12	4	4	16	16
Ms Alex Brougham ^{4,5,6,7,8}	11	10	5	5	16	15
The Revd Canon Simon Butler ^{4,9}	1	1	1	1	2	2
The Revd Canon Christopher Davies ^{5,6}	12	6	7	3	19	9
The Revd Dr Jack Dunn ^{4,5}	12	9	8	6	20	15
Mr Richard Farmbrough ⁹	1	1	0	0	1	1
Mr Andrew Gillett ^{4,7}	12	12	9	7	21	19
Mr Jeremy Hargreaves ⁹	1	1	0	0	1	1
Mr Tom Hoffman ⁶	12	8	3	3	15	11
The Revd Canon Roxanne Hunte ⁷	12	7	5	1	17	8
Mrs Jackie Jordan ⁹	1	1	0	0	1	1
The Revd Canon Wendy Kennedy ⁷	12	7	5	3	17	10
The Ven David Lowman ^{4,5}	12	8	8	6	20	14
Lady Ann Mawer ^{4,5,8}	11	9	7	6	18	15
Mr Jonathan Prichard ^{4,7}	12	6	9	5	21	11
The Rt Revd David Rossdale ^{4,5,6,7,8}	11	11	3	3	14	14
Ms Jill Sandham ⁸	11	4	0	0	11	4
The Rt Revd Tim Thornton	12	4	0	0	12	4
Mr Patrick Walker ^{6,7}	12	7	8	5	20	12

1. Includes January 2018 trustee/staff offsite
2. Excludes working groups
3. Excludes Treasurer *ex officio* membership (unless chair of committee)
4. Governance Committee
5. Grants Committee
6. Investment Committee
7. Risk, Audit & Finance Committee
8. Retired from Court in November 2018
9. Elected to Court in November 2018

Executive management and organisational structure

The day-to-day management of the Charity is delegated to the Chief Executive, Jeremy Moodey, who leads a Senior Leadership Team which additionally consists of the following two directors:

- Kris Davidson, Director of Central Services, who looks after the finances, property, IT and other central services of the Charity and manages a team of two staff.
- Sarah Crombie, Director of Charitable Services, who oversees the Charity's grant-making and other charitable services, and manages a team of four staff.

Key management personnel

The key management personnel of the Charity in 2018 comprised the Trustees, the Chief Executive and the Directors of Central Services and Charitable Services. The total employee benefits of the key management personnel of the Charity are disclosed in Note 9 to the financial statements. Remuneration and benefits for executive management are set by Trustees on the basis of peer sector benchmarking and annual cost of living adjustments. There is currently no performance-related pay scheme in operation.

Principal risks and uncertainties

Trustees and management regularly review the major risks to which the Charity is exposed and consider how these might be mitigated. A new Risk Management Policy was approved by Trustees in July 2018 and led to the preparation of a detailed risk register which is kept constantly under review by Trustees and management.

In general the activities of the charity are not subject to major risk. Income is derived from a diverse portfolio of investments and charitable expenditure is largely discretionary, so could be scaled back if income fell below expected levels. There is no over-reliance on donated income or statutory funding. None of the Charity's activities are subject to external regulation (other than by the Charity Commission) and the Charity does not engage in any regulated activities for Safeguarding purposes.

Subject to this, the three main risks identified by Trustees as potentially impacting the work of the Charity are:

- The security and sustainability of the Charity's **investment portfolio** in the context of increased market volatility. The Charity's approach to mitigating this risk is set out under 'Investments and investment performance' on page 12 below. The creation of a dedicated Investment Committee in January 2018 was a key decision to improve Trustees' focus on this issue.
- The risk that the Charity does not properly achieve its **charitable purpose**, whether through the lack of an overarching strategy, inadequate marketing of its services to potential beneficiaries or through the incorrect or inappropriate disbursement of grant monies. The key mitigations to this in 2018 were the decision to re-brand the charity as Clergy Support Trust, the development of a four-year strategy to 2022 (published in March 2019) and the overhaul of the charity's grant-making policy with effect from July 2019.
- A failure to comply with the Charity's **legal and regulatory obligations**, particularly in relation to data protection. The key mitigations in 2018 were the agreement by Trustees in the course of the year of a data protection policy which was fully compliant with the new General Data Protection Regulation (GDPR). More generally, the Chief Executive reports to the Court of Assistants regularly on fulfilling statutory requirements and Trustees take professional advice where required including legal, HR and independent governance advice.

Fundraising

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the approach of the Charity to fundraising in 2018.

At present, and in light of its significant investment portfolio, the Charity does not actively fundraise, other than through its annual Festival Service at St Paul's Cathedral, where a general appeal to support the work of the Charity is made. Occasional donations and legacies are also received, but these are not actively solicited. The Charity does not contract the services of any professional fundraisers, nor does it have any commercial participator agreements. During the course of the year we did not receive any complaints about our fundraising practice. We do not engage in persistent or intrusive fundraising practices with any of our supporters.

Financial Review

Unless otherwise stated, figures are expressed in m (millions) or k (thousands).

Total income for the year amounted to £4.68m (2017: £3.96m). The increase year-on-year was the result of a surplus on the sale of an investment property (£386k) and increased investment income (£306k). Donation and legacy income was also up by £30k. Total expenditure amounted to £4.00m (2017: £3.67m). Grant expenditure was slightly reduced year-on-year at £2.58m (2017: £2.66m), mainly as a result of changes in our grant-making policy. Support and governance costs were significantly increased at £607k (2017: £279k), mainly because of a £263k write-off of office refurbishment costs from 2006. Staff costs were also higher at £489k (2017: £431k) as a result of recruitment. The overall net surplus before net losses on investments was £687k (2017: £286k). After taking into account net losses on investments, total funds fell by £11.52m (2017: increase of £9.74m).

Investments and investment performance

The main source of income for the Charity continues to be its investment portfolio. The Charity's Statement of Investment Policy is reviewed annually by trustees, and the Investment Committee reviews the performance of the Charity's investment managers on a regular basis, together with asset allocation. The Charity adopts a long-term approach to investment, seeking to achieve the best possible total return within an acceptable level of risk. The Charity's investment objective over the medium-term is to achieve a total return which outperforms the rate of inflation (as measured by CPI) by at least 4.0%.

The Charity seeks to mitigate investment risk by having a diversified portfolio managed by four fund managers. One of these, the Charities Property Fund (CPF), managed by Savills Investment Management Limited, focuses only on property investments and consequently performed better than the other portfolios which in 2018 were exposed to significant stock market volatility, the FTSE All Share index falling almost 13% over the year. The portfolios managed by Sarasin and Cazenove have a balanced multi-asset approach (between 60% and 70% in UK and global equities) while the Charles Stanley portfolio is at present wholly focused on equities.

The performance of the four fund managers during 2018 is summarised below. Cazenove's performance benchmark is its long-term (ten-year) target of inflation plus 4%, so not directly comparable to the other benchmarks, which are annual targets. Sarasin's benchmark is a composite of relevant indices. Charles Stanley's benchmark is the FTSE All Share index, while the CPF's benchmark is the AREF/ MSCI All Balanced Property Funds Index.

Manager	Value of Portfolio £	Portfolio Return %	Performance Benchmark %	Relative Performance %
Cazenove Capital Management ¹	18,929,535	-4.7	+6.6	-11.3
Sarasin & Partners LLP ²	19,404,369	-4.0	-4.9	-0.9
Charles Stanley & Co Limited	49,173,610	-12.9	-9.5	-3.4
Charities Property Fund	10,841,476	+7.2	+6.5	+0.7

¹ Charity Multi-Asset Fund

² Alpha CIF for Endowments

The annualised three and five year returns for the Charity's longer-serving investment managers are shown for information overleaf.

Periods ended December 2018 (annualised)	Portfolio	Performance	Relative	Portfolio	Performance	Relative
	Return	Benchmark	Performance	Return	Benchmark	Performance
	3 years			5 years		
	%	%	%	%	%	%
Sarasin & Partners LLP ¹	5.8	7.2	-1.4	5.5	6.6	-1.1
Charles Stanley & Co Ltd	7.1	6.1	+1.0	6.3	4.1	+2.2
Charities Property Fund	7.9	6.4	+1.5	10.6	9.7	+0.9

1 Alpha CIF for Endowments

The Charity also owns three investment properties, together with some agricultural land in Northamptonshire, which had an independently assessed market value at the year-end of £2.4m (2017: £2.5m).

Further information on our investments can be found in Note 12 to the financial statements.

In 2018 the Investment Committee reviewed the Charity's approach to ethical investment. As a result, in December 2018 Trustees agreed a new policy whereby the Charity would not have direct exposure to companies that would be excluded under guidelines issued by the Church of England's Ethical Investment Advisory Group. Similarly, the Charity will consider whether its indirect exposure to such companies is appropriate through any pooled investment fund in which it invests.

Funds and reserves policy

The Charity's total funds as at 31 December 2018 were £103.3m (2017: £114.8m) comprising £101.2m of unrestricted funds (2017: £112.7m), £1.9m of restricted funds (2017: £1.9m) and an endowment fund of £202k (2017: £210k). The unrestricted funds principally comprise a designated investment fund which as at 31 December 2018 totalled £100.0m (2017: £111.1m). The designated investment fund represents the Charity's unrestricted investment assets held for the long-term to generate income for the Charity's current and future activities in support of its beneficiaries. Other unrestricted funds included an undesignated general fund of £1.9m (2017: £1.6m) and a designated sum of £315k (2017: £nil) which represents an amount set aside for the purposes of carrying out a refurbishment of the Charity's London office in 2019.

The restricted funds principally comprise the Clergy Orphan Corporation fund, which is restricted to providing financial assistance to children of clergy of the Church of England and of the Church in Wales. The only endowment fund held by the Charity is the Palmer Estate Fund, which was set up to provide against the notional loss of rent arising when one of the Charity's properties was sold in 1984.

Further details of the designated, restricted and endowment funds held by the Charity can be found in Note 16 to the financial statements.

The Charity's policy is to hold free reserves (defined as unrestricted net current assets less provisions and excluding any designated funds) sufficient to cover at least three months of operating costs based on average monthly amounts over the last five years. As at 31 December 2018 the Charity held free reserves of £1.4m (2017: £641k), equivalent to approximately 4.8 months of operating costs (2017: 2.3 months).

Reference and Administrative Details

Incorporation and registration

The Charity now operating under the working name of Clergy Support Trust, and previously (until March 2019) known as Sons & Friends of the Clergy, was originally founded in 1655 by a group of sons of clergymen. It was later incorporated by Royal Charter in 1678 under the name of the Governors of the Charity for Releefe of the Poore Widdowes and Children of Clergymen. The Royal Charter was amended in 1971 and again in October 2012 (as part of the amalgamation, effective 1 January 2013, of the Corporation of the Sons of the Clergy and the Friends of the Clergy Corporation) and in November 2017 (to amend the Charity's objects to include the promotion of health). Clergy Support Trust is registered with the Charity Commission for England and Wales with the number 207736.

Trustees

The following were the members of the Court of Assistants throughout 2018 (except as stated below):

The Venerable Christine Allsopp
Ms Alex Brougham (until 8 November 2018)
The Reverend Canon Simon Butler (from 8 November 2018)
The Reverend Canon Christopher Davies
The Reverend Dr Jack Dunn
Mr Richard Farmbrough (from 8 November 2018)
Mr Andrew Gillett
Mr Jeremy Hargreaves (from 8 November 2018)
Mr Tom Hoffman
The Reverend Canon Roxanne Hunte
Mrs Jackie Jordan (from 8 November 2018)
The Reverend Canon Wendy Kennedy
The Venerable David Lowman
Lady Ann Mawer (until 8 November 2018)
Mr Jonathan Prichard
The Right Reverend David Rossdale (until 8 November 2018)
Ms Jill Sandham (until 8 November 2018)
The Right Reverend Tim Thornton
Mr Patrick Walker

Officers and Chief Executive

The officers of the Charity during 2018 were as follows:

Honorary Presidents	The Archbishop of Canterbury The Archbishop of York (from 8 November 2018) The Bishop of London (from 8 November 2018)
Senior Treasurer	The Right Reverend David Rossdale (until 8 November 2018) The Reverend Canon Simon Butler (from 8 November 2018)
Treasurers	The Venerable Christine Allsopp Ms Alex Brougham (until 8 November 2018) The Reverend Dr Jack Dunn (from 8 November 2018)
Chief Executive	Jeremy Moodey

Registered office

1 Dean Trench Street, Westminster, London SW1P 3HB

Auditors

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Investment advisers/managers

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU
Charles Stanley & Co Limited
55 Bishopsgate, London EC2N 3AS
Cazenove Charities
12 Moorgate, London EC2R 6DA
The Charities Property Fund
33 Margaret Street, London W1G 0JD

Bankers

Messrs C Hoare & Co
37 Fleet Street, London EC4P 4DQ
National Westminster Bank Plc
PO Box 3038, 57 Victoria Street, London SW1H 0HN

Statement of Trustees' Responsibilities

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

The law applicable to charities in England and Wales requires the Court of Assistants 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 income and expenditure of the Charity for that period. In preparing these financial statements, the Court of Assistants is required to:

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

Signed on behalf of the Court of Assistants on 4 June 2019

The Revd Canon Simon Butler
Senior Treasurer

The Ven Christine Allsopp
Treasurer

The Revd Dr Jack Dunn
Treasurer

Independent Auditor's Report to the Trustees

Opinion

We have audited the financial statements of Clergy Support Trust ("the Charity") for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 31 December 2018 and of its income and expenditure 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 annual report and financial statements, 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.

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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual 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 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 Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the 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 trustee directors 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

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 section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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.

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Date: 10 June 2019

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activity

For the year ended 31 December 2018

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017 (Restated)
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	155,312	30,460	-	185,772	155,418
Investments	3	4,051,891	56,756	1,566	4,110,213	3,804,653
Sale of freehold property	4	386,329	-	-	386,329	-
Total income		<u>4,593,532</u>	<u>87,216</u>	<u>1,566</u>	<u>4,682,314</u>	<u>3,960,071</u>
Expenditure on:						
Raising funds	5	324,061	8,653	982	333,696	314,043
Charitable activities – grants & support costs	6	3,643,169	18,260	-	3,661,429	3,360,117
Total expenditure		<u>3,967,230</u>	<u>26,913</u>	<u>982</u>	<u>3,995,125</u>	<u>3,674,160</u>
Net income before net losses on investments		626,302	60,303	584	687,189	285,911
Net losses on investments	12	(12,139,553)	(55,818)	(8,831)	(12,204,202)	9,456,084
Net (expenditure)/income and net movement in funds		<u>(11,513,251)</u>	<u>4,485</u>	<u>(8,247)</u>	<u>(11,517,013)</u>	<u>9,741,995</u>
Total funds brought forward at 1 January 2018		112,740,451	1,872,885	210,285	114,823,621	105,081,626
Total funds carried forward at 31 December 2018	16	<u>101,227,200</u>	<u>1,877,370</u>	<u>202,038</u>	<u>103,306,608</u>	<u>114,823,621</u>

All of the charity's activities during the above two financial periods derived from continuing operations.

The notes set out on pages 22 to 32 form part of these financial statements.

Statement of Financial Activity

For the year ended 31 December 2017

	Notes	Unrestricted Funds (Restated) £	Restricted Funds £	Endowment Funds £	Total Funds 2017 (Restated) £
Income and endowments from:					
Donations and legacies	2	96,383	59,035	-	155,418
Investments	3	3,749,359	53,790	1,504	3,804,653
Total income		3,845,742	112,825	1,504	3,960,071
Expenditure on:					
Raising funds	5	302,511	10,627	905	314,043
Charitable activities	6	3,360,040	77	-	3,360,117
Total expenditure		3,662,551	10,704	905	3,674,160
Net income before net gains on investments		183,191	102,121	599	285,911
Net gains on investments	12	9,263,442	172,541	20,100	9,456,083
Net income and Net movement in funds		9,446,633	274,662	20,699	9,741,994
Total funds brought forward at 1 January 2017		103,293,818	1,598,223	189,586	105,081,627
Total funds carried forward at 31 December 2017	16	112,740,450	1,872,885	210,285	114,823,621

The notes set out on pages 22 to 32 form part of these financial statements.

Balance Sheet

For the year ended 31 December 2018

	Notes	£	2018 £	2017 Restated £
Fixed assets				
Tangible fixed assets	11	505,863	863,802	
Investment assets	12	<u>100,783,990</u>	<u>113,100,995</u>	
			101,289,853	113,964,797
Current assets				
Debtors	13	218,803	270,694	
Short-term deposits		1,423,946	511,312	
Cash at bank and in hand		<u>580,577</u>	<u>241,524</u>	
		2,223,326	1,023,530	
Current liabilities				
Creditors: amounts falling due within one year	14	<u>(199,071)</u>	<u>(139,706)</u>	
Net current assets		2,024,255	883,824	
Total assets less liabilities		103,314,108	114,848,621	
Provision for winding up pension scheme	9,18	(7,500)	(25,000)	
Total net assets		<u>103,306,608</u>	<u>114,823,621</u>	
Funds				
Unrestricted - designated	16	99,295,892	111,120,445	
Unrestricted - general	16	1,931,308	1,620,005	
Restricted	16	1,877,370	1,872,885	
Endowment	16	<u>202,038</u>	<u>210,285</u>	
Total funds		<u>103,306,608</u>	<u>114,823,621</u>	

The financial statements were approved and authorised for issue by the Court of Assistants on 4 June 2019 and signed on their behalf by

The Revd Canon Simon Butler
Senior Treasurer

The Ven Christine Allsopp
Treasurer

The notes set out on pages 22 to 32 form part of these financial statements.

Statement of Cashflows

For the year ended 31 December 2018

	Total Funds 2018 £	Total Funds 2017 £
Net cash used in operating activities	(a) (3,440,719)	(3,735,369)
Cash flows from investing activities:		
Income, interest and rents from investments	4,104,379	3,835,626
Proceeds from sale of property	482,329	-
Purchase of furniture and equipment	(7,109)	-
Proceeds from sale of investments	5,339,612	33,904,938
Purchase of investments	(6,944,586)	(32,736,806)
Net cash provided by investing activities	2,974,625	5,003,758
Change in cash and cash equivalents	(466,094)	1,268,389
Cash and cash equivalents brought forward	2,540,126	1,271,737
Cash and cash equivalents carried forward	(b) 2,074,032	2,540,126
Reconciliation of net movement in funds to net cash used in operating activities		
(a) Net (expenditure) income for the reporting period	(11,517,013)	9,741,995
Adjustments for:		
Depreciation charge	269,051	3,621
Income, interest & rents from investments	(4,110,213)	(3,804,653)
(Profit) on sale of fixed assets	(386,329)	-
(Gains)/losses on investments	12,204,202	(9,456,084)
(Increase)/ Decrease in debtors	57,718	(42,221)
Increase/ (Decrease) in creditors	41,865	(178,027)
Net cash used in operating activities	(3,440,719)	(3,735,369)
(b) Analysis of cash and cash equivalents		
Cash at bank and in hand	580,577	241,529
Short-term deposits	1,423,946	511,312
Cash balances held with investment managers	69,509	1,787,285
	2,074,032	2,540,126

The notes set out on pages 22 to 32 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2018

Clergy Support Trust ("the Charity") is a corporation governed by Royal Charter and a charity registered in England & Wales with the registered address of 1 Dean Trench Street, Westminster, London SW1P 3HB. Its principal charitable activity is the provision of financial grants and other support to Anglican clergy households in times of hardship or crisis.

1 Accounting policies

(a) Basis of preparation and assessment of going concern

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 in accordance with the Charities Act 2011, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and 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).

The financial statements are presented in pounds sterling which is the Charity's functional currency. Unless otherwise stated, amounts are rounded to the nearest £1.

The Charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant area of uncertainty that affects the future carrying value of the assets held by the Charity is the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(b) Funds structure

Details of the various funds held and of the terms on which each of those funds is held are set out in Note 16 to the financial statements.

(c) Income recognition

Income is recognised in the Statement of Financial Activities when entitlement is both reliably measurable and there is probable receipt. Where income derived from endowment funds is unrestricted this is included within unrestricted funds. Income comprises donations, legacies, income from listed investments and rental income from the charity's investment properties.

Legacies are recognised following the granting of probate when the administrator or executor for the estate has communicated in writing both the amount and settlement date. In the event that the legacy is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the legacy being reliably measurable with a degree of reasonable certainty.

Interest on funds held on deposit is included when receivable and notification has been received from the bank. Income from investment funds is recognised once notification has been received from the investment advisors.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income derived from the letting of the charity's investment properties is recognised in the period to which the tenancy relates.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Grants are considered as gifts from the Charity and are made at the full discretion of the trustees to beneficiaries in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Deferred grants are grants that have been awarded but are not payable until some future date. Most school fees grants and certain other grants are paid by instalments and some other grants are awarded for payment at a future date.

(e) Governance costs

Governance costs comprise all costs associated with the strategic as opposed to day-to-day management of the Charity's activities together with the public accountability of the Charity and its compliance with regulations and good practice.

(f) Expenditure on raising funds

Expenditure on raising funds consists of investment management costs and an allocation of staff costs based on staff time. Investment funds management costs are allocated on the basis of percentage holdings of investments in each of the Charity's funds. Investment property costs are those relating to the individual properties held in each of the Charity's funds.

(g) Expenditure on charitable activities

Expenditure on charitable activities consists of grants made, an allocation of staff costs based on staff time and all support and governance costs. These costs have been allocated wholly to charitable activities as a significant proportion of the Charity's investments are managed externally and the amount spent on fundraising is insignificant.

(h) Tangible fixed assets and depreciation

Freehold properties are included at cost. No depreciation is provided on such properties as the Charity is an unincorporated charity, and the estimated residual values are considered to be in excess of cost. Regular maintenance is carried out on these properties to mitigate against any indicator of impairment.

All assets costing over £1,000 are capitalised and stated at historical cost. Depreciation is charged on a straight line basis on fixtures and fittings and equipment over their estimated useful life from the year of acquisition of ten, five and three years, respectively.

(i) Fixed asset investments

Fixed asset investments that are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value as at the reporting date using the closing quoted market price.

Fixed asset investment properties are measured at fair value at each reporting date.

All gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and transaction value. Unrealised gains and losses for the year are calculated as the difference between the fair value at the year end and the opening carrying value, or the transaction value if acquired in the financial year. Realised and unrealised gains and losses on investments are combined in the Statement of Financial Activities.

(j) Gains and losses on investments

All gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and transaction value. Unrealised gains and losses for the year are calculated as the difference between the fair value at the year end and the opening carrying value, or the transaction value if acquired in the financial year. Realised and unrealised gains and losses on investments are combined in the Statement of Financial Activities.

(k) Pensions

In accordance with auto-enrolment, the Charity contributes a percentage of salary into a Group Pension Plan, which comprises a series of personal pension plans arranged for the Charity's eligible employees. The employer contribution levels exceed the minimum levels required under auto-enrolment. The charity historically operated a pension scheme, the Corporation of the Sons of the Clergy Staff Retirement Benefit Scheme which is now closed and a resolution was passed in February 2019 by the Charity's trustees to wind up the scheme.

(l) Financial assets and liabilities

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. With the exception of the fixed asset investments referred to in (i) above, the Charity's basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The main form of financial risk faced by the Charity is that of volatility in investment markets due to wider economic conditions.

(m) Key judgements and estimates

The preparation of the financial statements requires the Trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The Trustees consider the following to be the main sources of estimation uncertainty:

- Provisions – a provision to cover the winding up of the pension scheme has been included in the balance sheet. This has been calculated based on the Trustees' available knowledge up to the date that the financial statements are approved.
- Income recognition of legacies – legacies have been recognised when receipt is probable and on a case-by-case basis once the value can be measured reliably.
- The estimated useful life of tangible fixed assets.
- The valuation of the Charity's investment properties.

2 Donations and legacies

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2018
	£	£	£	£
Donations	76,960	8,060	-	85,020
Legacies	78,352	22,400	-	100,752
	<u>155,312</u>	<u>30,460</u>	<u>-</u>	<u>185,772</u>
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2017
	£	£	£	£
Donations	74,483	6,231	-	80,714
Legacies	21,900	52,804	-	74,704
	<u>96,383</u>	<u>59,035</u>	<u>-</u>	<u>155,418</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

3 Investment income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Rental income	35,260	18,792	-	54,052
Income from investment funds	4,011,858	37,659	1,565	4,051,082
Bank Interest	4,773	305	1	5,079
	<u>4,051,891</u>	<u>56,756</u>	<u>1,566</u>	<u>4,110,213</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Rental income	44,293	18,792	-	63,085
Income from investment funds	3,703,249	34,846	1,503	3,739,598
Bank interest	1,817	152	1	1,970
	<u>3,749,359</u>	<u>53,790</u>	<u>1,504</u>	<u>3,804,653</u>

4 Sale of freehold property

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Surplus on sale of freehold property	386,329	-	-	386,329

Following the closure to new occupants of the Charity's housing scheme for retired clergy and their wives/ widows some time ago, houses are sold as and when they become vacant and are not replaced. During the year one house was sold (2017: none). There was no (2017: one) housing scheme property remaining at the year end.

5 Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Investment management costs				
- investment properties	75,976	4,286	-	80,262
- investment funds	233,795	4,367	982	239,144
Staff costs (see Note 9)	14,290	-	-	14,290
	<u>324,061</u>	<u>8,653</u>	<u>982</u>	<u>333,696</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Investment management costs				
- investment properties	23,357	6,296	-	29,653
- investment funds	266,616	4,331	905	271,852
Staff costs (see Note 9)	12,538	-	-	12,538
	<u>302,511</u>	<u>10,627</u>	<u>905</u>	<u>314,043</u>

6 Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Grants (see Note 7)	2,559,561	18,200	-	2,577,761
Charitable housing costs	1,583	-	-	1,583
Support and governance costs (see Note 8)	607,336	60	-	607,396
Staff costs (see Note 9)	474,689	-	-	474,689
	<u>3,643,169</u>	<u>18,260</u>	<u>-</u>	<u>3,661,429</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Grants (see Note 7)	2,662,793	-	-	2,662,793
Charitable housing costs	30	-	-	30
Support and governance costs (see Note 8)	278,932	77	-	279,009
Staff costs (see Note 9)	418,285	-	-	418,285
	<u>3,360,040</u>	<u>77</u>	<u>-</u>	<u>3,360,117</u>

7 Grants

During the year, the Charity awarded 1,054 grants to qualifying individuals and organisations (2017: 1,035) and, in partnership with SPCK, provided its Ordinand Library resource to 455 Anglican ordinands (2017: nil).

	Number of grants	2018 £	Number of grants	2017 £
Clergy	459	1,847,796	443	1,907,646
Divorced or separated spouses	53	284,378	53	282,526
Ordinands (grants and Ordinand Library app)	960	181,155	504	176,400
Widows/Widowers/Unmarried Daughters	35	195,432	33	201,221
Organisations	2	69,000	2	95,000
	<u>1,509</u>	<u>2,577,761</u>	<u>1,035</u>	<u>2,662,793</u>

	2018 £	2017 £
Financial support	1,993,797	1,980,585
Resettlement & house expenses	28,470	41,103
Education	68,181	82,169
University maintenance	123,700	202,500
Debt	10,524	12,239
Medical (including for one Ordinand)	34,723	64,775
Nursing & Care Home fees	74,375	80,743
Accessibility modifications	42,295	5,550
Relationship counselling	9,429	13,129
Bereavement	13,382	3,600
Ordinands (non-medical grants and Ordinand Library)	178,885	176,400
	<u>2,577,761</u>	<u>2,662,793</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

7 Grants (cont.)

The following two organisations received grants from the Charity:

Society of Mary & Martha – £54,000 (2017: £45,000). This charity, also known as Sheldon, supports people in ministry at times of stress, crisis, burnout or breakdown.

Holy Rood House – £15,000 (2017: nil). This charity provides professional therapeutic support and relaxation for Anglican clergy, their partners (current or former) and families.

In addition, grants were made to the following two care homes in respect of residents who were beneficiaries:

College of St Barnabas – individual grants were awarded to 18 residents of the College of St. Barnabas, totalling £45,767 (2017: 16 individual grants totalling £60,883). The College is a retirement community for Anglican clergy and their spouses, as well as clergy widows, with a significant number of residents whose means are insufficient to meet the costs incurred for their care.

Terrys Cross – individual grants were awarded to two residents of Terrys Cross Trust totalling £12,000 (2017: three residents totalling £18,000). This charity provides retirement accommodation and respite care for those associated with the Church of England.

8 Support and governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Support costs:			
Festival costs	32,229	-	32,229
Property costs	64,975	-	64,975
Marketing and communications (including re-branding)	65,635	-	65,635
Recruitment costs	35,223	-	35,223
Office equipment maintenance	33,075	-	33,075
Staff training	13,437	-	13,437
Other office expenses	45,637	60	45,697
Write-off of refurbishment costs	263,113	-	263,113
Legal and professional	22,728	-	22,728
Governance costs:			
Legal and professional	14,244	-	14,244
Auditor's remuneration	17,040	-	17,040
	<u>607,336</u>	<u>60</u>	<u>607,396</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Support costs:			
Festival costs	27,920	-	27,920
Property costs	56,807	-	56,807
Marketing and communications	7,788	-	7,788
Grants review & consultancy	38,880	-	38,880
Recruitment costs	23,315	-	23,315
Office equipment maintenance	32,222	-	32,222
Staff training	5,803	-	5,803
Other office expenses	48,126	77	48,203
Legal and professional	19,081	-	19,081
Governance costs:			
Legal and professional	5,790	-	5,790
Auditor's remuneration	13,200	-	13,200
	<u>278,932</u>	<u>77</u>	<u>279,009</u>

The annual Festival is the most significant event in the Charity's year, providing the opportunity to celebrate both the support that the Charity is able to give its beneficiaries today and the nearly four-hundred-year tradition on which the Charity is founded. Through the Festival Service and Dinner, the Charity increases the awareness of its activities and benefits from the generous donations received, including those from Stewards, the Livery Companies and the collection at the Service.

See note 11 for an explanation of the £263,113 write-off of 2006 refurbishment costs.

9 Staff costs

	2018 £	2017 £
Salaries	386,425	335,462
Social security costs	37,676	30,888
Pension costs (see note 18)	64,878	64,473
	<u>488,979</u>	<u>430,823</u>

These net costs comprise the staff costs referred to in Notes 5, 6 and 8 and have been allocated based on an estimate of staff time.

During the year under review, the following staff earned total emoluments, excluding employer's pension costs, in excess of £60,000:

	2018 No.	2017 No.
£60,000 - £70,000	2	2
£80,000 - £90,000	1	-

The Charity's key management personnel during the year comprised the members of the Court of Assistants, the Chief Executive, the Director of Charitable Services and the Director of Central Services. Total employment benefits, including employer pension contributions, of the key management personnel in 2018 were £251,301 (2017: £169,684). Three employees had benefits in excess of £60k (2017: two).

The average number of employees, analysed by function, was:

	2018	2017
Raising funds, grants and support	8	6
Administration and governance	1	1
	<u>9</u>	<u>7</u>

Pension costs

	2018 £	2017 £
Pension payments		
(10% Personal Pension Plan)	34,675	27,562
Death in Service premiums & admin costs	1,991	1,185
Deficit funding in respect of Pension Scheme	-	3,800
Pension Scheme Costs	20,712	6,926
Provision for winding up Pension Scheme (note 18)	7,500	25,000
	<u>64,878</u>	<u>64,473</u>

Members of the Court of Assistants did not receive any remuneration or benefits in kind in respect of their services during the year under review (2017: nil). Travel expenses of £10,510 (2017: £12,095) were reimbursed to 13 trustees (2017: 15).

10 Auditor's remuneration

The auditor's remuneration comprised a 2018 audit fee of £12,750 including £1,500 for the audit of the Corporation of the Sons of the Clergy Staff Retirement Benefit Scheme (2017: £11,500, which includes £1,400 for the audit of the Corporation of the Sons of the Clergy Staff Retirement Benefit Scheme).

11 Tangible fixed assets

	Freehold Property £	Fixtures, fittings and equipment £	Total £
Cost (as restated)			
At 1 January 2018	859,888	59,767	919,655
Addition	-	7,109	7,109
Disposal*	(359,113)	(2,293)	(361,406)
At 31 December 2018	<u>500,775</u>	<u>64,583</u>	<u>565,358</u>

Depreciation

At 1 January 2018	-	55,850	55,850
Charge for year	263,113	5,938	269,051
Disposal	(263,113)	(2,293)	(265,406)
At 31 December 2018	<u>-</u>	<u>59,495</u>	<u>59,495</u>

Net book value

At 31 December 2018	<u>500,775</u>	<u>5,088</u>	<u>505,863</u>
At 31 December 2017	<u>859,888</u>	<u>3,918</u>	<u>863,802</u>

The Charity's property at 1 Dean Trench Street in Westminster is a 'mixed use' property comprising the Charity's office and a three-bedroom residential flat which is rented out. The property was previously classified as a freehold property under tangible fixed assets and shown at cost. In 2018 the residential component of the property has been reclassified as an investment property. The land and operational component of the building remain classified as a freehold property under tangible fixed assets. In 2006 refurbishment costs of £263,113 were capitalised and added to the cost of the freehold property. New refurbishment works have been commissioned and commenced in January 2019. In view of this work, the 2006 costs have been written off in 2018.

*Includes the sale of the Charity's last charitable housing property (£96,000) (see Note 4) and the write-off of the 2006 refurbishment costs (£263,113).

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

12 Investment assets

	2018 £	2017 £
Investment properties		
– United Kingdom	2,435,000	2,535,000
Investment funds	98,348,990	110,565,995
	<u>100,783,990</u>	<u>113,100,995</u>

	2018 £	2017 £
a) Investment properties – United Kingdom		
Market value at 1 January	2,535,000	2,413,000
Net gain/(loss) on revaluation	(100,000)	122,000
	<u>2,435,000</u>	<u>2,535,000</u>
Market value at 31 December	2,435,000	2,535,000
Historical cost at 31 December	176,102	176,102

The Charity's property at 1 Dean Trench Street in Westminster is a 'mixed use' property comprising the Charity's office and a three-bedroom residential flat which is rented out. The property was previously classified as a freehold property under tangible assets and shown at cost. In 2018, the residential component of the building has been reclassified as an investment property. A prior year adjustment of £995k was made to opening balances to reflect this reclassification (see Note 21).

As at 31 December 2018, the Charity's investment properties were valued on an open market basis in accordance with the Royal Institution of Chartered Surveyors' Valuation - Global Standards 2017 as follows:

- One agricultural property was valued at £310,000 by Messrs Berrys, Chartered Surveyors.
- Two residential properties were valued in aggregate at £1,225,000 by Edward James Surveyors Ltd.
- One further residential property (the flat at 1 Dean Trench Street) was valued at £900,000 by Tuckerman Chartered Surveyors.

	Total 2018 £	Total 2017 £
b) Investment funds		
Market value at 1 January	108,778,709	100,287,795
Additions	6,944,586	33,061,763
Disposal proceeds	(5,339,612)	(33,904,933)
Net (loss)/gain on revaluation	(12,104,202)	9,334,084
	<u>98,279,481</u>	<u>108,778,709</u>
Market value at 31 December	98,279,481	108,778,709
Cash balances held with investment managers	69,509	1,787,285
	<u>98,348,990</u>	<u>110,565,995</u>
Historical cost at 31 December	<u>90,927,406</u>	<u>87,576,218</u>

The investments at the end of the year were held in realisable funds consisting of the following:

	2018 £	2017 £
Sarasin Alpha CIF for Endowments	19,404,369	20,875,017
Cazenove Charities Charity		
– Multi-Asset Fund	18,929,535	20,775,732
– Charles Stanley Discretionary Portfolio	49,173,610	58,367,617
– Charities Property Fund	10,841,476	10,547,629
	<u>98,348,990</u>	<u>110,565,995</u>

The split of the holdings was:

	Total 2018 £	Total 2017 £
Fixed interest	3,813,926	4,922,331
UK equities	41,430,394	49,625,391
Global equities	33,070,568	33,851,530
Property	14,639,052	14,637,902
Alternative assets	4,008,492	4,965,745
Cash & near cash	1,386,558	2,563,096
	<u>98,348,990</u>	<u>110,565,995</u>

The Sarasin portfolio is invested in the Alpha CIF for Endowments. This fund is diversified across the world's principal stock, bond and currency markets, together with investments in alternative assets such as property, commodities and hedge funds. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. The Cazenove portfolio is invested in the Charities Multi-Asset Fund (CMAF). The fund aims to preserve the real value of capital over the long term while allowing for sustainable expenditure of up to 4% per annum (a distribution of 1% per quarter). CMAF adopts a total return approach and utilises a range of asset classes, incorporating (on a strategic basis) UK and global equities, bonds and absolute return funds, as well as tactical focus on infrastructure and commodities. Units are valued using the bid price. In the Charles Stanley discretionary portfolio, investments in equities, unit trusts and fixed interest securities are all traded in quoted public markets. Holdings are valued at the closing mid-price. No single investment was more than 5% of the total portfolio. The investments in the Charities Property Fund are valued using the net asset value price.

At 31 December 2018, listed investments included the following individual holdings deemed material when compared with the overall listed investment portfolio (including cash held by investment managers):

	Value of holding £	Percentage of portfolio %
Sarasin Endowments Fund Class A Inc	19,145,797	19
SUTL Cazenove Charity Multi-Asset S Inc	18,929,535	19
Charities Property Fund	10,841,476	11

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review section of the Trustees' Annual Report. The main risk to the Charity from financial instruments in the future lies in the combination of uncertain investment markets and volatility in yield, which is mitigated through the Charity's Investment Policy.

13 Debtors

	Total 2018 £	Total 2017 £
Income tax recoverable	6,096	6,693
Cash held by investment managers	193,765	187,938
Prepayments & other debtors	18,942	76,063
	218,803	270,694

All prepayments relate to unrestricted funds in both 2018 and 2017.

14 Current liabilities

	Total 2018 £	Total 2017 £
Creditors: amounts falling due within one year		
Grant commitments	122,875	79,681
Accruals	76,196	60,025
	199,071	139,706
	2018 £	2017 £
Grant commitments:		
Balance brought forward	79,681	199,722
New grants committed to in year	278,568	245,637
Grants paid	(235,374)	(365,678)
	122,875	79,681

Grant commitments are grants that have been awarded but are not payable until some future date. Most school fees grants and certain other grants are paid by instalments and some grants are awarded for payment at a future date.

15 Operating lease commitments

As at 31 December, the Charity had total commitments under non-cancellable operating leases as set out below:

	2018 £	2017 £
Amounts due:		
Within one year	1,955	2,709
Within 2 – 5 years	2,499	4,455
after more than 5 years	-	-
	4,454	7,164

16 Statement of funds

The following were the Charity's funds during the year under review.

Unrestricted funds

General fund

The unrestricted general funds are applied by the Trustees in accordance with the objects of the Charity (see the Objectives, Activities and Public Benefit section of the Trustees' Report on page 5).

Designated investment funds

The designated investment funds represent the carrying value of the Charity's investments that are not held in restricted or endowment funds as at 31 December 2018. The investment fund has been ring-fenced to demonstrate that the assets are being held for the long-term to generate income to support the Charity's future activities in support of its beneficiaries.

Other specific designated funds

Following the decision of Trustees in February 2018 to remain at the charity's office in 1 Dean Trench Street, an amount has been set aside from the surplus on the sale of a charitable housing property for the purposes of carrying out a comprehensive refurbishment of the property. The office was previously refurbished in 2006.

Restricted and endowment funds

Clergy Orphan Corporation

The Clergy Orphan Corporation is restricted as its beneficiaries are limited to children of clergy of the Church of England and of the Church in Wales. The fund includes the investment assets held to generate the income required to fund the Charity's core activities insofar as they relate to beneficiaries covered by the above restriction.

Other restricted funds

These funds represent donations that are restricted by their terms as to their use.

Palmer Estate Fund

The Palmer Estate Fund was set up on the instructions of the Charity Commission and represents the setting aside from the income of the Charity of £13,000 in 1984 to provide against the notional loss of rent arising on the sale of 619-639 Holloway Road, London until 2063, when the agreed lease would have expired, at which time the assets will become unrestricted.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

16 Statement of funds (cont.)

	Balance at January 2018 £	Income £	Expenditure £	Other recognised gains and losses £	Balance at December 2018 £
Unrestricted funds					
General	1,620,006	4,278,532	(3,967,230)	-	1,931,308
Designated - Investment	111,120,445	-	-	(12,139,553)	98,980,892
Designated - Specific	-	315,000	-	-	315,000
	<u>112,740,451</u>	<u>4,593,532</u>	<u>(3,967,230)</u>	<u>(12,139,553)</u>	<u>101,227,200</u>
Restricted funds					
Clergy Orphan Corporation	1,854,509	83,945	(8,713)	(55,818)	1,873,922
Other restricted funds	18,376	3,271	(18,200)	-	3,448
	<u>1,872,885</u>	<u>87,216</u>	<u>(26,913)</u>	<u>(55,818)</u>	<u>1,877,370</u>
Endowment funds					
Palmer Estate Fund	210,285	1,566	(982)	(8,831)	202,038
Total funds	<u>114,823,621</u>	<u>4,682,314</u>	<u>(3,995,125)</u>	<u>(12,204,202)</u>	<u>103,306,608</u>
	Balance at January 2017 £	Income £	Expenditure £	recognised gains and losses £	* Restated balance at December 2017 £
Unrestricted funds					
General	1,436,814	3,845,742	(3,662,551)	-	1,620,005
Designated - Investment	101,857,003	-	-	9,263,442	111,120,445
	<u>103,293,817</u>	<u>3,845,742</u>	<u>(3,662,551)</u>	<u>9,263,442</u>	<u>112,740,450</u>
Restricted funds					
Clergy Orphan Corporation	1,582,197	110,475	(10,704)	172,542	1,854,510
Other restricted funds	16,026	2,350	-	-	18,376
	<u>1,598,223</u>	<u>112,825</u>	<u>(10,704)</u>	<u>172,542</u>	<u>1,872,886</u>
Endowment funds					
Palmer Estate Fund	189,586	1,503	(905)	20,100	210,285
Total funds	<u>105,081,626</u>	<u>3,960,071</u>	<u>(3,674,160)</u>	<u>9,456,084</u>	<u>114,823,621</u>

* Restated to include a prior year adjustment of £995k to reflect the market value of the residential flat component of 1 Dean Trench Street now included as investment property (see Note 12).

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Tangible fixed assets	505,863	-	-	505,863
Investment properties	1,660,000	775,000	-	2,435,000
Investment funds	97,320,652	826,930	201,408	98,348,990
Net current assets	1,748,185	275,440	630	2,024,255
Provisions	(7,500)	-	-	(7,500)
	<u>101,227,200</u>	<u>1,877,370</u>	<u>202,038</u>	<u>103,306,608</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Tangible fixed assets	863,802	-	-	863,802
Investment properties	1,760,000	775,000	-	2,535,000
Investment funds	109,475,487	880,854	209,654	110,565,995
Net current assets	666,162	217,032	630	883,824
Provisions	(25,000)	-	-	(25,000)
	<u>112,740,451</u>	<u>1,872,886</u>	<u>210,284</u>	<u>114,823,621</u>

18 Pensions

The Charity has historically operated a pension scheme, the Corporation of the Sons of the Clergy Staff Retirement Benefit Scheme, which provided benefits based on final pensionable pay. The scheme is now closed to new members. In November 2018, as part of the process to initiate the wind-up of the scheme, all the annuities held by the scheme were assigned to the individual pensioners. In February 2019, a resolution was passed by the trustees of the Charity, acting as the corporate trustee, to wind up the scheme. A further provision of £7,500 (2017: £25,000) is included in the accounts to cover costs associated with the winding up. The last triennial actuarial valuation was as at 31 December 2016 and stated that there was no deficit in the scheme as at that date. Consequently, the Trustees do not consider it appropriate to disclose the present value of the scheme's obligation or fair value of the scheme's assets as required under FRS 102.

Reconciliation of movements in Provision:	£
Provision brought forward	25,000
Additions	7,500
Amounts charged against provision	(25,000)
	<u>7,500</u>
Provision carried forward	7,500

In addition, the Charity operates a defined contribution pension scheme in compliance with auto-enrolment. Contributions of £34,675 (2017: £27,562) were made in the year.

19 Related party transactions

During the year four trustees made donations to the charity totalling £335 (2017: six trustees, £448).

20 Financial instruments

	2018 £	2017 £
Financial Assets		
Financial assets at amortised cost	2,209,609	1,009,687
Financial instruments at fair value	98,348,990	110,565,995
Financial Liabilities		
Financial liabilities at amortised cost	206,571	164,706

Financial assets measured at amortised cost comprise cash at bank and in hand, short-term cash deposits, trade debtors, other debtors and accrued income. Financial instruments at fair value comprise investment funds managed by external investment managers, valued at fair value at the balance sheet date. Further information is included in Note 12. Financial liabilities measured at amortised cost comprise accruals and other commitments.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

21 Prior year adjustments

Reconciliation of the closing fund balances at 31 December 2017 with the amounts previously reported are presented below:

Reconciliation of total funds

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total Funds 2017 £
Final balances as previously stated	111,860,556	1,872,886	210,285	113,943,727
Adjustment				
- market value of residential component	995,000	-	-	995,000
- cost of residential component	(115,106)	-	-	(115,106)
	<u>112,740,450</u>	<u>1,872,886</u>	<u>210,285</u>	<u>114,823,621</u>

The above adjustment is in relation to the reclassification and revaluation of the residential component of the Charity's property at 1 Dean Trench Street in London.



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