THE OVERSEAS BISHOPRICS' FUND

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Charity 245334

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REFERENCE AND ADMINISTRATIVE INFORMATION

The Overseas Bishoprics Fund is a charitable trust, founded in 1841 as 'The Colonial Bishoprics Fund', registered with the Charity Commission (no. 245334).

Office
Church House, Great Smith Street, Westminster, London SW1P 3AZ

President
The Most Revd and Rt Hon the Lord Archbishop of Canterbury

Vice-Presidents
The Most Revd and Rt Hon the Lord Archbishop of York,
The Most Revd the Lord Archbishops of Armagh, Dublin and Wales
The Primus of the Episcopal Church in Scotland

Members of the Council (trustees of the OBF) during 2021

Appointed by the Archbishop of Canterbury
The Rt Revd Henry Scriven
The Rt Revd Anthony Poggo

The Director of the Mission and Public Affairs Division of the Archbishops' Council
The Revd Malcolm Brown (represented at meetings up to June 2021 by Ms Janice Price, the Church of England World Mission Policy Adviser)

Representatives of bodies active in the support of the worldwide church
Mr Sam Richardson (SPCK)
The Revd Duncan Dormor (USPG)
Mr Robert Dawes (The Mothers' Union)
Rev Andy Roberts (CMS) (appointed in November 2021)

Trustees appointed by the Council
Revd Canon Mark Oxbrow (Chairman of the Council)
Mr Richard Woods
Mr Colin Bird
Miss Sue Parks
Mr Stephen Slack

Officers
Mr Stephen Lyon (Secretary)
Mr Christopher Smith (Clerk)

Auditors:	**Bankers:**	**Investment Managers:**
Crowe U.K LLP 55 Ludgate Hill London EC4M 7JW	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London SW1E 5JL

THE OVERSEAS BISHOPRICS FUND
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees of the Overseas Bishoprics Fund ("OBF") present their report along with the financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 17, and comply with 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 (FRS 102) ("the SORP").

Structure, governance, management and remuneration
The governing document of the OBF is *The Rules for the Administration of the Fund.* This defines its object, the methods by which that may be achieved, the procedures for the appointment of its Council and officers, and the means by which its business may be transacted. These Rules were thoroughly reviewed, revised and approved by the OBF Council in November in 2019 and subsequently sent to the Charity Commission.

The Rules provide that all affairs of the OBF are to be controlled by its Council, consisting of not more than twelve trustees. New trustees receive an induction pack of relevant documents outlining all aspects of the workings of the Fund.

The OBF has no other related parties apart from Barlow Interventions Limited, a company run by the OBF Secretary. Barlow Interventions Limited charges the OBF periodically for secretarial work and related expenses. The level of remuneration for the OBF Secretary is set by the OBF every three years and it was agreed that from 1st October 2018 a daily rate of £300 would be applied.

Appointment of Trustees
The composition of the OBF, in accordance with the updated 2019 rules of the Council, consists of not more than twelve members, who shall be the trustees of the Fund, as follows:

(a) the Director of the Mission and Public Affairs Division of the Archbishops' Council or, in the event of that office no longer subsisting, the holder of the equivalent office in succession to it, by virtue of his or her office;
(b) two bishops appointed by the Archbishop of Canterbury, for a maximum term of 12 years;
(c) representatives of bodies active in the support of the worldwide church (Society for Promoting Christian Knowledge (SPCK), the United Society Partners in the Gospel (USPG), the Church Mission Society (CMS) and the Mothers' Union (MU)) for a maximum term of 12 years; and
(d) up to five other members, appointed by the Council, for a maximum term of 12 years.

Statement of public benefit
The OBF believes that the Christian faith is of benefit to society and individuals as it brings a vision of transformation for peace and social harmony. This is derived from the belief of the Church that the ultimate purpose of God is to bring all things into unity and perfection in Jesus Christ.

The quality and security of the leadership within the Church is crucial in ensuring that this vision is realised. The OBF believes that the advancement of the Christian religion will be enhanced by the provision of "support for the senior national and regional leadership of the worldwide Church, and in particular for the establishment and maintenance of bishoprics within the Anglican Communion".

The bishops whom the OBF supports, work in some of the neediest areas of the world. Their leadership benefits not only the Church but also the wider community and their nation and region. Their work often builds reconciliation, bringing community cohesion and stability through education, development and capacity building. They also provide vital links with the wider communities beyond those they primarily serve.

The OBF seeks to demonstrate this benefit through the way it addresses the needs of those in episcopal leadership within or closely associated with the Anglican Communion, as detailed in this report. When planning its activities for the year the Council has considered the Charity Commission guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

Grant-making policy

The OBF makes grants out of its General Fund, to supplement the local funds of overseas bishoprics. In 2019 the Council reviewed its grant giving priorities and procedures producing a new set of Guidance Notes and a common Application Form. Support for initiatives that build Episcopal leadership capacity is now a high priority.

Grants are usually made for an individual year but in some cases multi-year commitments are made.
Every applicant for funding is strongly encouraged to provide:

- as much clarity as possible as to what other sources of support a bishopric is seeking or has received and the level of local support from within a bishopric;
- evidence of the support of the Primate or Provincial Secretary of the Province in which the applicant's bishopric is situated; and
- assurances that the Communion's own guidelines for the financing of new dioceses have been followed.

Income from each of the restricted funds is paid to the overseas diocese or province to which it relates. The income from each fund is therefore generally equal to the investment income less administration expenses for the year in question.

Objectives and activities

The Rules provide that the core object of the OBF is as follows:

(1) The object of the Fund shall be to provide support for the senior national and regional leadership of the worldwide Church, and in particular for the establishment and maintenance of bishoprics within the Anglican Communion.

And, provide further guidance that:

(2) In relation to any area of the world outside the United Kingdom where there exists a church that is part of the Anglican Communion or in communion within the See of Canterbury, the Fund may:
  (a) provide financial assistance towards the setting up and maintenance of the bishoprics of such a church; and
  (b) hold endowment funds for the benefit of such bishoprics.

(3) In relation to any area of the world outside the United Kingdom, the Fund may:
  (a) provide financial assistance towards the setting up and maintenance of the bishoprics of any church whose relationship with the Church of England is such that the Council of the Fund, having sought the advice of the Archbishop of Canterbury, judges it suitable that such assistance be given; and
  (b) hold endowment funds for the benefit of such bishoprics.

(4) In relation to any church in any of the above categories or in relation to any part of such a church, where there is not in place for the time being a system of Episcopal leadership, any reference in the above provisions to a bishopric shall have effect as if it were to the office and work of a senior national or regional leader of status equivalent to that of a bishop.

The OBF is unique in the Anglican Communion in that, whilst it is keen to work alongside other organisations supporting the worldwide Church more generally, its specific remit is to provide assistance for the work of bishops throughout the Communion outside the UK. These bishops provide the leadership necessary to enable the delivery of the vision that the Christian faith can bring about transformation for peace and social harmony.

The OBF seeks to achieve this in two ways. Firstly, it administers episcopal endowment trust funds on behalf of several dioceses and provinces and transfers accumulated income to them. Secondly, it makes grants to bishoprics.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The Council does not currently undertake fundraising activity of any nature, is not registered with a fundraising regulator, has no commercial participators, and has received no complaints relating to fundraising during the year.

Risk management

The OBF's risk management policy outlines its approach to risk management, and the respective roles and responsibilities of members and finance staff in mitigating the identified risks.

Risk area	Key mitigating strategies
Single fund manager for investments may lead to poorer investment returns, and capital value not maintained, impacting on ability to provide stable and sustainable distributions. Macro-economic events (e.g. Brexit, COVID-19) may impact investment performance and the sustainability of future distributions.	-Fund manager invests in diversified portfolio -Funds are held in deposit, investment fund and property fund shares -Performance of fund manager compared to other fund managers -Access to investment performance reports produced by Archbishops' Council Investment Committee -Regular meetings between the fund manager and the Council to discuss investment policies and performance
Inadequate documentation of Fund details may lead to delay in payments and requirements of funds are not fully complied with.	-New staff working on OBF matters are given an induction on purpose and work of the Fund -Files are held centrally for all key documents -Database is maintained of all Bishopric details
Grant allocations may not cover certain needy Bishoprics leading to OBF not seen as supporting the whole of the Communion	-Mission agencies are involved to obtain knowledge of local area -Trustees and Council members who have knowledge of the Bishoprics, and the areas in which they operate, are involved in grant allocation.
Funds may be overspent in the UK and misappropriated overseas	-Two signatories for every payment over £500 -Fund secretary holds latest records for administering the funds to ensure payments reach intended recipients -Admin charges deducted before income payments are made -Purposes of the Fund outlined to recipients each time an income payment is made -All grants agreed by the Council as appropriate -Payments must be made to a provincial or diocesan account (i.e. not a personal one) - Confirmation of receipt of funds are sent by the grantee to the secretary to the OBF together with a signed agreement that the grant or income will only be used for the specific purposes stated or in line with the objectives of the OBF. In addition, a summary is requested of the way in which previous grants have been spent
Poor succession planning and knowledge management leads to disruption in the work of the OBF.	-Put succession plan in place -Share knowledge of working of the Fund across finance department -Work collaboratively with other similar funding bodies

Activities of the OBF Council in the year to 31 December 2021

2021 has been another challenging year due to the global pandemic of the Coronavirus. For the OBF it meant that we met virtually for our June trustees' meetings but were able to meet face to face in November. The longer-term effects of the virus continue to influence life across the Anglican Communion and will no doubt be a contributing factor in some future grant applications.

Grants

In 2021 the OBF approved grants of £47,854 from its General Fund – £41,140 to be distributed in that year and the remainder promised for subsequent years. It also granted £34,000 from its India Funds to the United Churches of the 'Indian Sub-continent'.

Due to the trustees' desire to support as fully as possible the Lambeth Conference, planned for 2020 but postponed until 2022, the level of grants made in 2021 was greatly reduced. Most of the six new grants were made to African provinces with one covering three widely geographically spread Brazilian dioceses.

So, in 2021 the OBF made the following new grants from its General Fund:

- **Bishopric of North Mbale, Uganda** – a grant of just over £5,000 over three years towards the support of the bishop's stipend.
- **Internal Province of Ghana, West Africa** – total grant of £11,600 over three years towards the cost of building new provincial offices in Accra that will also support the work of its bishops by providing a base in the capital city.
- **Province of Burundi** – a one-off grant of £8,000 towards the repair costs of the vehicle used by, and the other travel expenses of, the Archbishop enabling him to visit across the Province.
- **Provincial Area 2 in the Province of Brazil** – a one-off grant of £6,000 towards the travel costs of the bishops in this scattered area allowing them to visit the congregations and clergy.
- **Bishopric of Biharamulo, Tanzania** – a one-off grant of £8,000 towards the cost of building the bishops office.
- **Bishopric of Goma, DR Congo** – a total grant of approx. £10,250 over three years towards the purchase of a vehicle for the yet to be appointed new bishop in the diocese.

The India Funds support the on-going work of the bishoprics in **India, Pakistan, Bangladesh and Sri Lanka**. The importance of these grants can perhaps best be gauged by the fact that the OBF, from both these general funds and further restricted funds, is able to offer a significant proportion of the amount of the bishops' stipends in the Church of North India, and to enable considerable contributions to the other Churches that are beneficiaries of these Funds.

During 2021, following a due diligence exercise, trustees also reinstated our grant making relationship with the Church of South India [CSI] which had been suspended for several years due to a lack of accountability in relation to transferred monies. Following Emails and a Zoomed conversation with the leadership of the Church these issues have been resolved and grants from the India Funds were resumed. It is expected that in 2022 income payments from the OBF Tirunelveli and Dornakal fund [both CSI bishoprics], which were suspended for the same reasons, will also be resumed.

2020 Lambeth Conference

Due to Covid-19 the residential component of the 2020 Lambeth Conference was postponed and is now planned to take place in the summer of 2022. The Council agreed that grants either already given or promised to the Lambeth Conference Company towards the costs of the Conference would be honoured. These grants will afford bishops, unable to pay their own air fares or conference fees, the opportunity to come to Lambeth 2022 as part of their development and to support their episcopal ministries.

As it was anticipated that Covid might continue to be a factor in 2022, the Lambeth Conference planning group decided that the Pre-Lambeth Hospitality Initiative, due to be offered by dioceses in England, Wales, and Scotland, will no longer take place. Participants in the Conference will now travel directly to Canterbury. The OBF grants, agreed in 2019, to support certain costs incurred by these UK dioceses would, therefore, be no longer required. The return of these grants was requested in January 2022 and all monies transferred not used for these purposes have been returned to the OBF.

Rationalisation of the OBF funds
Work still continues to seek permission from the Charity Commission to rationalise the different funds relating to China, the Indian Sub-Continent and those in the Province of the Church of North India in the following manner:

- **OBF China Fund** – to create a scheme where all the present China Funds can be incorporated into one fund and applied to all areas overseen by the China Christian Council;
- **OBF North India Fund** – to rationalise all funds linked to individual dioceses in the CNI into one new Fund, in keeping with practice since the inception of the CNI.
- **OBF India Sub-Continent General Fund** – to rationalise all the India Funds into this one fund.

China Funds
Trustees had hoped to discuss with the leadership of the China Christian Council the use and distribution of the OBF funds held in their name. It was anticipated that this might happen on the fringes of the 2020 Lambeth Conference. When the Conference was postponed planning these conversations was put on hold and it is hoped that, if the leadership come to the 2022 Conference, the conversations might happen then. Failing that, a review of the use and disbursement of the China funds will need to be dealt with in some other way.

Jerusalem and Middle East Church Association
Following the resolution made in 2018 and subsequent permission from the Charity Commission, the assets of the Egypt fund have now been transferred to the Jerusalem and Middle East Church Association (JMECA). This transfer was made up of investment assets totalling £412,856 and a cash balance of £14,583, being a total transfer of £427,439.

Bishopscourt, Cape Town, South Africa
During 2012 all the necessary arrangements were put in place to transfer ownership of Bishopscourt (the home and office of the Archbishop of Cape Town since the 1840s) to a similar trust in South Africa. At its meeting in November 2012 the Council of the OBF approved:

- a draft Deed of Trust establishing the Bishopscourt Episcopal Trust, the principal objects of which are "to establish and maintain Anglican bishoprics within the province of Southern Africa, and in particular the Archbishopric of Cape Town"; and
- a draft Deed of Donation transferring to it the freehold of Bishopscourt and the associated funds.

This transfer continues to be delayed, due mainly to the complexity of the registration process of the Bishopscourt Episcopal Trust in South Africa. The OBF Council has passed a resolution that when the transfer of the freehold takes place the capital currently held in all other South African funds held presently by the OBF will also be transferred to the new Trust: the Cape Town English Endowment Fund, the Cape Town South Africa Endowment Fund, the Bloemfontein Fund, the George Fund, the Natal Fund and the Pretoria Fund.

Governance Matters
Trustees decided this year to give time at each Council meeting to review an aspect of its governance seeking to review issues and, where necessary, improve policies. The agreed pattern is:

> Year 1 (June): Governance Policies – Rules, Risk Register and Conflict of Interest Register.
> Year 1 (November): Charity Purpose and objectives and consequent future major tasks (so allowing a high-level discussion every two years on how we feel God is calling us to steward the responsibilities we hold).

Year 2 (June): Management Policies - Financial Controls including Reserves and Investment policies (Including a presentation by CCLA/our fund managers); Diversity and Inclusion; and Risk Register
Year 2 (November): Strategic Partnerships - on some occasions this could include participation by a key partner such as ACF or St. Augustine's Foundation.

In reviewing the Rules, in the light of several changes of personnel and circumstances, it was agreed in November 2021 that we would change several Rules, mainly in relation to the composition of the Council. As part of the exercise, we also amended the Rules to cover our virtual meetings and reviewed the patronage list (Vice-Presidents) which was deemed to be outdated. As a result of these changes, when they are ratified in June 2022, there will be several changes in the trustee body:

Bishop Henry Scriven, Richard Woods, Janice Price and Sue Parks will stand-down as trustees and Bishop Guli Francis-Dehqni, Janice Proud, Edward Chaplin and Rana Khan will become trustees. The OBF has always been well served by its trustees and valued the unique contribution each one makes to its work. We will miss the wisdom and insights offered by Henry, Richard, Janice and Sue as we welcome all that our new trustees will offer to the work.

Future Plans

As the OBF specifically serves those leading the Anglican Communion – its bishops – its own future will be linked to that of the Communion. The Coronavirus not only caused the postponement of the Lambeth Conference but challenged the mission and administration of all the Churches in the Anglican Communion as they sought to respond to the situations they faced. The effects of the virus are likely to be factors in applications that will come to the OBF.

It is hoped that at the rearranged Lambeth Conference in the summer of 2022 the OBF will host a reception where trustees can meet face to face both bishops we already support and explain what the OBF might offer to those bishops unaware of the Fund's work.

We will continue to address how we might support the desire, in many places across the Communion, to build up the capacity of the bishops through training, support, mentoring and retreat.

In 2021 the Anglican Communion inaugurated the new Province of *Igreja Anglicana de Mocambique e Angola* – the Anglican Church of Mozambique and Angola. This was formed by the Anglican dioceses in the two Lusophone countries that, until that date, had been part of the Anglican Church of Southern Africa. In creating the new Province, the Communion also created 8 new dioceses. The OBF has already been approached to offer support to the new Province in 2022 and beyond.

More generally, the OBF will continue to have calls on its resources to support the on-going work of bishops in areas of the Communion challenged by poverty, war, disease and famine where the Church is often the sole means of support for many communities. The present global financial constraints will continue to make this contribution even more important.

The OBF has continued its explorations in establishing links with other organisations with kindred aims, such as the Anglican Communion Fund and St Augustine's Foundation, to ensure that available funding is targeted most effectively.

Financial review

The total net assets for which the OBF has responsibility at the end of 2021 were £18,111,161 (2020: £16,057,997). Of these assets:

- Unrestricted funds ("the General Fund"), which can be used for the setting up and maintenance of bishoprics generally, were £107,004 (2020: £43,706).
- Restricted funds, which must be used for the support of bishoprics in specific named dioceses or regions (particularly in the Indian sub-continent, China, and South Africa), were £1,109,766 (2020: £862,620).
- the remaining £16,894,391 (2020: £15,151,671) were the permanent endowment funds of which £4,248,355 (2020: £3,718,484) generates income for general objects and £12,646,036 (2020: £11,433,187) generates income restricted to specific dioceses or regions.

The capital value of these funds, and the income generated by them, fluctuate according to market conditions.

Investment powers, policy and performance

Investments are held within Church of England Funds that are managed by CCLA Ltd. The Council reviews investment performance during the year, on the basis of reports received from CCLA Ltd. The funds are invested to maintain capital growth, whilst providing suitable levels of income to provide a reliable grant stream to the bishoprics. During the year the total value of the investment funds increased by £1,827,831, made up of gains on revaluation of £2,240,687 and disposals of £412,856 (2020: increased by £1,017,836, made up entirely of revaluation gains). The amount of investment income received was £456,759 (2020: £450,181).

Reserves policy

During 2020 the Council examined the requirements of the OBF in accordance with guidelines issued by the Charity Commission. The Council believe that the level of free reserves from the unrestricted General Funds should be not less than £40,000, in order to provide sufficient working capital and to deal with unforeseen requests for emergency funding. As at 31 December 2021, as there are currently no designated funds, free reserves totalled £107,004. The trustees are considering further grants which will bring this balance back down to lower levels in future.

The value of endowment funds held at 31 December 2021 was £16,894,391.

Going concern

The Council has considered specifically the potential impact of the COVID 19 pandemic on its operations and has assessed expected cash flows for 2022 and beyond. Income received until the date of approval of the financial statements is in line with the trustees' projections. CCLA, the Council's investment manager, have not communicated a change to the expected investment income for 2022. The Fund has sufficient liquidity to cover grant commitments already made and associated support costs. The Council will moderate the grant making activity of the Charity as necessary to meet its reserves policy as set out on above. Given this, the going concern basis of accounting in preparing the annual report and the financial statements continues to be adopted.

Responsibilities of the trustees

The Council is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the OBF and of its incoming resources and application of those resources for the period in question. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Fund will continue in business.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements are correctly prepared. It is also responsible for safeguarding the assets of the OBF, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council on 9 June 2022 and signed on its behalf:

Revd. Canon Mark Oxbrow

Chairman of Council

Independent Auditor's Report to the Trustees of The Overseas Bishoprics' Fund

Opinion

We have audited the financial statements of The Overseas Bishoprics' Fund ('the charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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 31 December 2021 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

In auditing the financial statements, we have concluded that the trustee's 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were regulations concerning the international transfer of money.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those

charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 6th October 2022

Crowe U.K. 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.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Income from:					
Investments	3	109,347	347,412	-	456,759
Total income		109,347	347,412	-	456,759
Expenditure on charitable activities:					
Support of bishops	4	(47,147)	(184,279)	(412,856)	(644,282)
Total expenditure		(47,147)	(184,279)	(412,856)	(644,282)
Total income less expenditure before gain on investments		**62,200**	**163,133**	**(412,856)**	**(187,523)**
Gain on investments		1,098	84,013	2,155,576	2,240,687
Net income		**63,298**	**247,146**	**1,742,720**	**2,053,164**
Net movement in funds		**63,298**	**247,146**	**1,742,720**	**2,053,164**
Total funds at 1 January:		43,706	862,620	15,151,671	16,057,997
Total funds at 31 December		**107,004**	**1,109,766**	**16,894,391**	**18,111,161**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
Income from:					
Investments	3	107,291	342,890	-	450,181
Total income		107,291	342,890	-	450,181
Expenditure on charitable activities:					
Support of bishops	4	(69,416)	(261,463)	-	(330,879)
Total expenditure		(69,416)	(261,463)	-	(330,879)
Total income less expenditure before gain on investments		**37,875**	**81,427**	-	**119,302**
Gain on investments		615	38,539	978,682	1,017,836
Net income		**38,490**	**119,966**	**978,682**	**1,137,138**
Transfers between funds	5				
Net movement in funds		**38,490**	**119,966**	**978,682**	**1,137,138**
Total funds at 1 January:		5,216	742,654	14,172,989	**14,920,859**
Total funds at 31 December		**43,706**	**862,620**	**15,151,671**	**16,057,997**

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £	2020 Total £
Fixed assets						
Tangible assets	5	-				-
Investments	6	8,713	682,569	16,894,391	17,585,673	15,757,841
		8,713	**682,569**	**16,894,391**	**17,585,673**	**15,757,841**
Current assets						
Cash & cash equivalents		109,204	488,179	-	597,383	434,310
Debtors	7	27,757	87,141	-	114,898	113,445
		136,961	**575,320**	-	**712,281**	**547,755**
Liabilities						
Creditors: amounts falling due within one year	8	(31,953)	(148,123)	-	(180,076)	(247,599)
Net current assets		**105,008**	**427,197**	-	**532,205**	**300,156**
Creditors: amounts falling due after one year	8	(6,717)	-	-	(6,717)	-
Total net assets		**107,004**	**1,109,766**	**16,894,391**	**18,111,161**	**16,057,997**
The funds of the charity						
Unrestricted funds - General		107,004	-	-	107,004	43,706
Restricted funds		-	1,109,766	-	1,109,766	862,620
Endowment funds		-	-	16,894,391	16,894,391	15,151,671
Total funds		**107,004**	**1,109,766**	**16,894,391**	**18,111,161**	**16,057,997**

Approved and authorised for issue by the Council on 9 June 2022 and signed on its behalf:

Revd. Canon Mark Oxbrow
Chairman of Council

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Reconciliation of net income to net cash flow from operating activities	Notes	2021	2020
		£	£
Net income for the year (as per the statement of financial activities)		(187,523)	119,302
Investment income	3	(456,759)	(450,181)
(Decrease) in creditors	8	(60,804)	(99,220)
(Increase) in debtors	7	(1,453)	(6,548)
Net cash flow (used in) operating activities		**(706,539)**	**(436,647)**
Cash flows from investing activities			
Investment income	3	456,759	450,181
Disposal of fixed asset investments		412,853	-
Net cash flow provided by investing activities		**869,612**	**450,181**
Net cash flow provided by financing activities		163,073	13,534
Cash and cash equivalents at the start of the year		434,310	420,776
Cash and cash equivalents at the end of the year		**597,383**	**434,310**

Analysis of cash & cash equivalents & changes in net debt:

	At 1 Jan 2021	Cash flows	Other changes	At 31 Dec 2021
	£	£	£	£
Cash at bank and in hand	434,310	163,073	-	597,383
TOTAL	**434,310**	**163,073**	-	597,383

1. ACCOUNTING POLICIES

Legal Status
The Overseas Bishoprics' Fund ("OBF") is a charitable trust, founded in 1841 as 'The Colonial Bishoprics Fund', registered with the Charity Commission (no. 245334).

Basis of Preparation
The charity's financial information has been prepared in accordance with:

- Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102");
- 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) ("the SORP").

The OBF meets the definition of a Public Benefit Entity ("PBE") as set out in FRS 100, and therefore applies the PBE prefixed paragraphs in FRS 102.

The financial information has been prepared on the historical cost basis (except for the revaluation of investments) and on the accruals basis.

These financial statements comprise all the OBF's unrestricted, designated, restricted and endowment funds drawn up to 31 December each year.

A summary of the accounting policies, which have been applied consistently across the group, is set out below.

Going Concern
The Council has considered specifically the potential impact of the COVID 19 pandemic on its operations and has assessed expected cash flows for 2022 and beyond. Income received until the date of approval of the financial statements is in line with the trustees' projections. CCLA, the Council's investment manager, have not communicated a change to the expected investment income for 2022. The Fund has sufficient liquidity to cover grant commitments already made and associated support costs. The Council will moderate the grant making activity of the Charity as necessary to meet its reserves policy as set out on above. Given this, the going concern basis of accounting in preparing the annual report and the financial statements continues to be adopted.

Funds Structure
Endowment funds are capital funds where the Council has no power to spend the capital but where the income generated from the invested funds is available for expenditure. Endowment funds fall into two categories: endowments for specific dioceses or provinces; and endowments for the general objects of the charity. Income from endowments for specific dioceses or provinces is treated as restricted income and income from endowment for the general objects of the charity is treated as unrestricted income.

Income and Expenditure
Dividends and other interest are recognised on an accruals basis. Grants are recognised as a liability when a firm commitment to pay the grant is made.

Investment and Gains and Losses on Investment Assets
Investments are stated in the financial statements at market value. Gains or losses on investments are disclosed in the Statement of Financial Activities.

2. TAXATION

The Fund is a registered charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£	£	£	£	£
Dividends	109,198	347,411	-	**456,609**	**448,843**
Interest on cash and deposit funds	149	1	-	**150**	**1,338**
	109,347	**347,412**	-	**456,759**	**450,181**

4. SUPPORT OF BISHOPS

Support of bishops comprises grants awarded from unrestricted funds at the discretion of the Council and payments of net income from restricted funds. Support costs comprising of administration expenses of the Fund plus Governance Costs have been allocated to this activity cost category.

	Unrestricted funds	Restricted funds	Endowment funds	2021	2020
	£	£	£	£	£
Grants committed	47,854	160,257	-	**201,111**	283,370
Grants written back	(7,000)	-	-	-	-
Transfer to JMECA	-	-	412,856	**412,856**	-
Support costs	6,293	24,022	-	**30,315**	47,509
	47,147	**184,279**	**412,856**	**644,282**	330,879

A transfer of the assets held in the Egypt fund was made in 2021 to the Jerusalem and the Middle East Church Association (JMECA).

2020 expenditure was made up of £69,416 of unrestricted expenditure and £261,463 of restricted expenditure.

Governance costs, included within support costs, are made up of:-	2021	2020
	£	£
Auditors remuneration	7,150	7,200
Legal Fees	-	12,600
	7,150	**19,800**

5. PROPERTY

The Fund is the trustee of an historical house, Bishopscourt, in Cape Town, occupied by the Archbishop of Cape Town and a maintenance fund consisting of a portfolio of investments held in respect of the Archbishopric of Cape Town. The maintenance of the house is financed locally and has been for over a century. The Council last received a valuation as at 31st May 2013 of £4.3 million for the property and £942,000 for the investments. As the Fund has no control over or beneficial interest in the assets, they have been included at nil value in the accounts. The Council had originally hoped to transfer the title of these assets to a newly formed charitable trust in South Africa for the benefit of the Archbishopric of Cape Town, during the latter part of 2013. There has however been no change in 2021 and it is hoped that matters will be concluded as soon as possible.

6. INVESTMENTS

Fund	Unrestricted funds	Restricted funds	Endowment for general objects	Endowment for specific diocese	**Total investments 2021**	Total investments 2020
	£	£	£	£	£	£
Investments						
Balance at 1 January	7,615	598,555	3,714,284	11,437,387	**15,757,841**	14,740,005
Additions	-	-	-	-	-	-
Disposals	-	-	-	(412,856)	**(412,856)**	-
Net surplus on revaluation	1,098	84,013	534,071	1,621,505	**2,240,687**	1,017,836
Balance as at 31 December	8,713	682,569	4,248,355	12,646,036	**17,585,673**	15,757,841

Fund	Unrestricted funds	Restricted funds	Endowment for general objects	Endowment for specific diocese	**Total investments 2020**
	£	£	£	£	£
Investments					
Balance at 1 January	-	567,016	3,478,569	10,694,420	14,740,005
Transfers between funds*	7,000	(7,000)	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net surplus on revaluation	615	38,539	235,715	742,967	1,017,836
Balance as at 31 December	7,615	598,555	3,714,284	11,437,387	**15,757,841**

*A transfer of £7,000 investment fund units was made between the George restricted fund and the general fund. An opposite transfer of deposit fund units to the restricted fund was made in payment by the general fund. This was to provide sufficient liquidity to enable the restricted fund to make a cash payment.

See note 5 in respect of investments held in the Bishopscourt maintenance fund.

All investments are held within the CCLA CBF Church of England Investment Fund.

7. DEBTORS

	2021	2020
Amount falling due within one year:	**£**	£
Accrued income	114,898	113,445
	114,898	**113,445**

8. CREDITORS

	2021	2020
Amount falling due within one year:	**£**	£
Grants payable	168,064	240,399
Accrued expenditure	12,013	7,200
	180,077	**247,599**

	2021	2020
	£	£
Amount falling due after one year:		
Grants payable	**6,717**	-
	6,717	-

Creditor balances consist of both dividend income due to the provinces, and general fund grants awarded by the Trustees.

9. EMPLOYEES AND TRANSACTIONS WITH TRUSTEES

There were no employees during the year. No remuneration has been paid to Council Members during the year. Reimbursement of travel & subsistence expenses paid to Council Members during the year was £nil (2020: £nil).

Secretarial fees of £9,735 charged by Barlow Interventions Limited were expensed during 2021 (2020: £12,170) for services provided by Stephen Lyon, OBF Secretary. Stephen Lyon, along with his related parties, is the sole owner of Barlow Interventions Limited. As at 31 December 2021, £4,863 was owed to Barlow Interventions Limited (2020: £5,435).

There was no other remuneration to key management personnel during either the current or previous years.

10. ANALYSIS OF FUNDS

Fund	Fund balance brought forward 2020	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward 2021
	£	£	£	£	£	£
Unrestricted Funds:						
General Fund	43,706	109,347	(47,147)	-	1,098	**107,004**
Restricted Funds:						
China	*601,944*	*67,417*	*(4,767)*	-	*55,603*	***720,197***
Other	*260,676*	*279,995*	*(179,512)*		*28,410*	***389,569***
Restricted Funds – total:	862,620	347,412	(184,279)	-	84,013	**1,109,766**
Endowment Funds	15,151,671	-	(412,856)	-	2,155,576	**16,894,391**
Total funds of the charity	16,057,997	456,759	(644,282)	-	2,240,687	**18,111,161**

Fund	Fund balance brought forward 2019	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward 2020
	£	£	£	£	£	£
Unrestricted Funds:						
General Fund	5,216	107,291	(69,416)	-	615	**43,706**
Restricted Funds:						
China	*513,322*	*65,456*	*(5,021)*	-	*28,187*	***601,944***
Other	*229,332*	*277,434*	*(256,442)*	-	*10,352*	***260,676***
Restricted Funds – total:	742,654	342,890	(261,463)	-	38,539	**862,620**
Endowment Funds	14,172,989	-	-	-	978,682	**15,151,671**
Total funds of the charity	14,920,859	450,181	(330,879)	-	1,017,386	**16,057,997**

Fund balances at 31 December 2020 are represented by:

	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 £
Fixed assets	7,615	598,555	15,151,671	**15,757,841**
Current assets	78,751	469,004	-	**547,755**
Current liabilities	(42,660)	(204,939)	-	**(247,599)**
Total net assets	43,706	862,620	15,151,671	**16,057,997**

Endowment Funds
Endowment investments are split based on whether there is a restriction in place on the income which these assets generate.

The OBF has a total of 38 (2020: 39) permanent endowment funds, the largest now being the recently amalgamated funds: OBF West Indies Fund at £2,621,000 (2020: £2,238,000), OBF China General Fund at £2,136,000 (2020: £1,826,000) and OBF India General Fund at £1,533,000 (2020: £1,308,000), valued at 31 December 2021.

Restricted Funds
These funds are for use for the support of bishoprics in specific named dioceses or regions (particularly in the Indian sub-continent, China, and South Africa).

There are 34 (2020: 35) restricted income funds, the largest being the OBF China General Fund, valued at £720,000 at 31 December 2021 (£602,000 at 31 December 2020).

Unrestricted Funds: General Fund
This fund is for general use in meeting the OBF's charitable objectives and are not designated for specific purposes.

11. RELATED PARTIES

During 2021, secretarial fees of £9,735 were charged by Barlow Interventions (2020: £12,170). See Note 9 for further details.