

THE OVERSEAS BISHOPRICS' FUND

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Registered Charity 245334

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REFERENCE AND ADMINISTRATIVE INFORMATION

The Overseas Bishopricks Fund is a charitable trust, founded in 1841 as 'The Colonial Bishopricks 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

Members of the Council (trustees of the OBF) during 2022

Appointed by the Archbishop of Canterbury

The Rt Revd Guli Francis-Dehqani

The Rt Revd Anthony Poggo

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)

Trustees appointed by the Council

The Revd Canon Mark Oxbrow (Chair of the Council)

Mr Colin Bird

Mr Stephen Slack

Mr Edward Chaplin

Mrs Janice Proud (appointed in June 2022)

The Revd Rana Khan (appointed in June 2022)

Officers

Mr Stephen Lyon (Secretary)

Mr Christopher Smith (Clerk) (until February 2023)

Auditor:

Crowe U.K LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers:

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Investment Managers:

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 2022

The Trustees of the Overseas Bishoprics Fund ("OBF") present their report along with the financial statements for the year ended 31 December 2022. 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 October 2018 a daily rate of £300 would be applied. This was uplifted in June 2022 to a daily rate of £350.

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) two bishops appointed by the Archbishop of Canterbury, for a maximum term of 12 years;
- (b) 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
- (c) up to six 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.

THE OVERSEAS BISHOPRICS FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

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.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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 process facilitates the identification of threats to achieving its objectives and the mitigation of these threats. The risk register is drawn up by the Secretary and reviewed by the OBF on a bi-annual basis. The OBF has agreed that the risks below are those which are the main barrier to achieving its objectives and are addressed through the mitigating strategies.

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.	<ul style="list-style-type: none"> -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.	<ul style="list-style-type: none"> -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	<ul style="list-style-type: none"> -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	<ul style="list-style-type: none"> -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.	<ul style="list-style-type: none"> -Put succession plan in place -Share knowledge of working of the Fund across finance department -Work collaboratively with other similar funding bodies

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Activities of the OBF Council in the year to 31 December 2022

2022 saw the UK coming out of the global pandemic of the Coronavirus. For the OBF it meant that we were able to resume our face-to-face meetings. The longer-term effects of the virus continued to influence life across the Anglican Communion and is a contributing factor in some grant applications. During the year the global turbulence of the war in Ukraine and domestic political upheavals have affected the levels of income available to us.

Grants

In 2022 the OBF approved grants of £123,700 from its General Fund – £90,700 to be distributed in that year and the remainder promised for subsequent years. It also distributed £32,000 from its India Funds to the United Churches of the 'Indian Sub-continent'.

In June 2022 the OBF made the following new grants from its General Fund:

- i. **Bishopric of Yei, South Sudan** – a one-off grant of £7,000 towards the building of the bishop's house was agreed by Council.
- ii. **Bishopric of Lweru, Tanzania** – a grant of £16,000 over two years, with a report on progress in May 2023, was agreed by Council towards the building of the bishop's house.
- iii. **Province of IAMA** – a grant of £25,000 to the Province to be used, at the discretion of the province, to support the stipends of the new bishops over the next three years. As there was a delay in the election of their new Primate, who would be involved in the decisions as to which bishoprics would receive support, the transfer of the grant was put on hold. With the election completed in early 2023, the grant was transferred following a decision at the June 2023 Council Meeting.

The postponed Lambeth Conference took place in the summer of 2022 and the OBF hosted a reception at the conference to publicise the work of the Fund. Following that meeting we received several applications at our November meeting. At that meeting the following new grants were awarded from its General Funds:

- i. **Bishopric of Rokon** – Requested around £7,000 towards the stipend of the new bishop. Trustees approved a grant towards the additional 6 months of the first year as well as for the second and third year. £3,500 immediately, then £5,000, £3,000 approved. Total £11,500 in addition to original emergency grant.
- ii. **Lusitanian Church, Portugal** – a request for support for the overall travel and accommodation costs of the bishop's ministry. Trustees thought that giving a grant would be a huge encouragement to a global north church with many characteristics of global south. £12,000 total over three years - £5,000 (Yr.1), £4,000 (Yr.2) & £3,000 (Yr.3) Approved.
- iii. **Bishopric of Kalima, DR Congo** – Request for approx. £8,000 for a secure fence around the bishop's residence, with a very detailed budget. Trustees considered it important to contribute towards the whole fence being built due to insecure context. Approved one off grant of £7,000.
- iv. **Bishopric of Sunyani, Ghana** – a grant towards completion of repairs to the bishop's residence. The budget shows that the funding is to improve basics, not to make it luxurious and that they are also contributing to the work. Grant of £5,000 approved.
- v. **Bishopric of SW Tanganyika, Tanzania** - a grant towards the repair of the bishop's car following a bad accident as the list of work in the estimate outlined. As travel is essential in this large diocese, trustees approved a one-off grant of £10,000, contingent on other funds being in place.
- vi. **Bishopric of Toliara, Madagascar** - a grant towards support of the stipend and transportation for the ministry of the bishop. The Bishop recognises it will take time to build up the resources he needs and tailored his application accordingly. Trustees also recognised that

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

- Madagascar needs support in their very challenging situation. Approved funding of £4,500 (Yr.1), £3000 (Yr.2), £2000 (Yr.3). Total £9,500
- vii. **Bishoprics of SW, S and Pelotas, Brazil** – a request for upgrading the bishop's houses. Due to this being a modest request supported by photographic evidence and the first request received by the OBF from Brazil, trustees approved the full amount of £11,700.
- viii. **Bishopric of Kejo-Keji, ECSS** – a grant over 3 years towards the renting of the bishop's house in Moyo, West Nile, Uganda and towards the costs of the bishop's ministry among the refugees settled in Uganda. Trustees approved £4,000 (Yr.1), £3,000 (Yr.2), £2,000 (Yr.3). Total of £9,000.

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 make considerable contributions to the other Churches that are beneficiaries of these Funds.

Postponed 2020 Lambeth Conference

The Conference took 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 enabled bishops, unable to pay their own air fares or conference fees, to come to Lambeth in 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, would no longer take place. Participants in the Conference travelled directly to Canterbury. The OBF grants, agreed in 2019, to support certain costs incurred by these UK dioceses were no longer required. The return of these grants was requested in January 2022 and all monies transferred have been returned to the OBF.

Rationalisation of the OBF funds

Work 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 hoping that, if the leadership come to the 2022 Conference, the conversations might happen then. Sadly, due to the ongoing prevalence of Covid in China the delegation did not travel to the 2022 Conference. Therefore, a review of the use and disbursement of the China funds will need to be dealt with in some other way.

In 2022, in line with permission granted by the Charity Commission, income from the China funds was used to support bishoprics where there was a ministry to a significant Chinese population. The first grants of this kind were agreed at the November 2022 meeting and made to the Bishoprics of Mandalay and Yangon, both in Myanmar.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

Bishops court, Cape Town, South Africa

During 2012 all the necessary arrangements were put in place to transfer ownership of Bishops court (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 Bishops court 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 Bishops court and the associated funds.

This transfer still continues to be delayed, due mainly to the complexity of the registration process of the Bishops court 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.

The changes to the Rules outlined in last year's Annual Report were ratified at the June 2022 Council meeting. These were 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 were ratified in June 2022, there were several changes in the trustee body:

Bishop Henry Scriven, Richard Woods, Janice Price and Sue Parks stood-down as trustees and Bishop Guli Francis-Dehqni, Janice Proud, Edward Chaplin and Rana Khan 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 also continues to challenge the mission and administration of all the Churches in the Anglican Communion as they seek to respond to the situations they face. The effects of the virus are likely to be factors in applications that will come to the OBF. We saw this year that many of the applications were for basic repairs to bishops' housing and stipends.

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.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

In 2021 the Anglican Communion inaugurated the new Province of *Igreja Anglicana de Mocambique e Angola* – the Anglican Church of Mozambique and Angola [IAMA]. 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. During the year we responded to the support requested.

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 2022 were £16,076,727 (2021: £18,111,161). Of these assets:

- Unrestricted funds ("the General Fund"), which can be used for the setting up and maintenance of bishoprics generally, were £94,765 (2021: £107,004).
- 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 £1,066,848 (2021: £1,109,766).
- the remaining £14,915,114 (2021: £16,894,391) were the permanent endowment funds of which £3,750,460 (2021: £4,248,355) generates income for general objects and £11,164,644 (2021: £12,646,036) 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 decreased by £2,060,950, made up of losses on revaluation (2021: increased by £1,017,836, made up gains on revaluation of £2,240,687 and disposals of £412,856). The amount of investment income received was £473,088 (2021: £456,759).

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 2022, as there are currently no designated funds, free reserves totalled £94,765.

The value of endowment funds held at 31 December 2022 was £14,915,114.

Going concern

The Council has assessed expected cash flows for 2023 and the 12 months beyond the date of signing. 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 2023, despite challenging market conditions and continued geopolitical uncertainty. 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.

**THE OVERSEAS BISHOPRICS FUND
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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 15 September 2023 and signed on its behalf:

Revd. Canon Mark Oxbrow
Chair of the Council



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

Opinion

We have audited the financial statements of The Overseas Bishopricks' Fund ('the charity') for the year ended 31 December 2022 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 2022 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 27 October 2023

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 2022

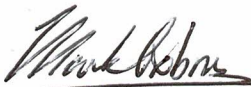
		Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total £
	Notes	£	£	£	£
Income from:					
Investments	3	121,148	351,940	-	473,088
Total income					
Expenditure on charitable activities:					
Support of bishops	4	(126,567)	(320,005)	-	(446,572)
Total expenditure					
Total income less expenditure before gain on investments		(5,419)	31,935		26,516
Gain on investments		(820)	(80,853)	(1,979,277)	(2,060,950)
Net expenditure		(6,239)	(48,918)	(1,979,277)	(2,034,434)
Transfers between funds		(6,000)	6,000	-	-
Net movement in funds		(12,239)	(42,918)	(1,979,277)	(2,034,434)
Total funds at 1 January:		107,004	1,109,766	16,894,391	18,111,161
Total funds at 31 December		94,765	1,066,848	14,915,114	16,076,727

		Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total £
	Notes	£	£	£	£
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
Transfers between funds	5				
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

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £	2021 Total £
Fixed assets						
Tangible assets	5	-	-	-	-	-
Investments	6	7,893	601,716	14,915,114	15,524,723	17,585,673
		7,893	601,716	14,915,114	15,524,723	17,585,673
Current assets						
Cash & cash equivalents		150,004	581,593	-	731,597	597,383
Debtors	7	28,374	86,230	-	114,604	114,898
		178,378	667,823	-	846,201	712,281
Liabilities						
Creditors: amounts falling due within one year	8	(80,506)	(202,691)	-	(283,197)	(180,076)
Net current assets		97,872	465,132	-	563,004	532,205
Creditors: amounts falling due after one year	8	(11,000)	-	-	(11,000)	(6,717)
Total net assets		94,765	1,066,848	14,915,114	16,076,727	18,111,161
The funds of the charity						
Unrestricted funds - General		94,765	-	-	94,765	107,004
Restricted funds		-	1,066,848	-	1,066,848	1,109,766
Endowment funds		-	-	14,915,114	14,915,114	16,894,391
Total funds		94,765	1,066,848	14,915,114	16,076,727	18,111,161

Approved and authorised for issue by the Council on 15 September 2023 and signed on its behalf:



Revd. Canon Mark Oxbrow
Chairman of Council

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		£	£
Reconciliation of net income to net cash flow from operating activities			
Net income for the year (as per the statement of financial activities)		26,516	(187,523)
Investment income	3	(473,088)	(456,759)
Increase / (Decrease) in creditors	8	107,404	(60,805)
Decrease / (Increase) in debtors	7	294	(1,453)
Net cash flow (used in) operating activities		(338,874)	(706,540)
Cash flows from investing activities			
Investment income	3	473,088	456,759
Disposal of fixed asset investments		-	412,853
Net cash flow provided by investing activities		473,088	869,612
Net cash flow provided by financing activities		134,214	163,073
Cash and cash equivalents at the start of the year		597,383	434,310
Cash and cash equivalents at the end of the year		731,597	597,383

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

	At 1 Jan 2022	Cash flows	Other changes	At 31 Dec 2022
	£	£	£	£
Cash at bank and in hand	597,383	134,214	-	731,597
TOTAL	597,383	134,214	-	731,597

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

Legal Status

The Overseas Bishoptics' Fund ("OBF") is a charitable trust, founded in 1841 as 'The Colonial Bishoptics 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 assessed expected cash flows for 2023 and 2024. 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 2023. 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	2022	2021
	£	£	£	£	£
Dividends	112,707	351,924	-	464,631	456,609
Interest on cash and deposit funds	8,441	16	-	8,457	150
	<u>121,148</u>	<u>351,940</u>	<u>-</u>	<u>473,088</u>	<u>456,759</u>

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	2022	2021
	£	£	£	£	£
Grants committed	135,552	282,613	-	418,165	208,111
Grants written back	(17,510)	-	-	(17,510)	(7,000)
Transfer to JMECA	-	-	-	-	412,856
Support costs	8,525	37,392	-	45,917	30,315
	<u>126,567</u>	<u>320,005</u>	<u>-</u>	<u>446,572</u>	<u>644,282</u>

2021 expenditure was made up of £47,147 of unrestricted expenditure and £184,279 of restricted expenditure. Additionally, a transfer of the assets held in the Egypt fund was made to the Jerusalem and the Middle East Church Association (JMECA).

Governance costs, included within support costs, are made up of:-

	2022	2021
	£	£
Auditors remuneration	7,650	7,150
Legal Fees	9,336	-
	<u>16,986</u>	<u>7,150</u>

5. PROPERTY

The Fund is the trustee of an historical house, Bishops court, 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 2022 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	Total investments
					2022	2021
	£	£	£	£	£	£
Investments						
Balance at 1 January	8,713	682,569	4,248,355	12,646,036	17,585,673	15,757,841
Disposals	-	-	-	-	-	(412,856)
Net surplus on revaluation	(820)	(80,853)	(497,885)	(1,481,392)	(2,060,950)	2,240,687
Balance as at 31 December	7,893	601,716	3,750,470	11,164,644	15,524,723	17,585,673
Investments						
Balance at 1 January	7,615	598,555	3,714,284	11,437,387		15,757,841
Additions	-	-	-	-	-	-
Disposals	-	-	-	(412,856)		(412,856)
Net surplus on revaluation	1,098	84,013	534,071	1,621,505		2,240,687
Balance as at 31 December	8,713	682,569	4,248,355	12,646,036		17,585,673

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

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

7. **DEBTORS**

	2022	2021
	£	£
Amount falling due within one year:		
Accrued income	114,604	114,898
	<u>114,604</u>	<u>114,898</u>

8. **CREDITORS**

	2022	2021
	£	£
Amount falling due within one year:		
Grants payable	64,762	168,064
Accrued expenditure	218,435	12,013
	<u>283,197</u>	<u>180,077</u>

	2022	2021
	£	£
Amount falling due after one year:		
Grants payable	11,000	6,717
	<u>11,000</u>	<u>6,717</u>

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 £216 (2021: £nil).

Secretarial fees of £11,686 charged by Barlow Interventions Limited were expensed during 2022 (2021: £9,735) 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 2022, £5,511 was owed to Barlow Interventions Limited (2021: £4,863).

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

There are 34 (2021: 34) restricted income funds, the largest being the OBF China General Fund, valued at £708,000 at 31 December 2022 (£720,000 at 31 December 2021).

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 2022, secretarial fees of £11,686 were charged by Barlow Interventions (2021: £9,735). See Note 9 for further details.