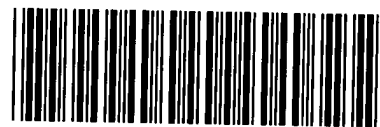


Company registration number 1043742
Charity registration number 263960

ALLCHURCHES TRUST LIMITED

2019 ANNUAL REPORT

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COMPANIES HOUSE

As the owner of an ethical and successful financial services group, our vision is to deliver steadily growing support to churches and other charities, for the greater good of all.

2019

A YEAR IN HIGHLIGHTS

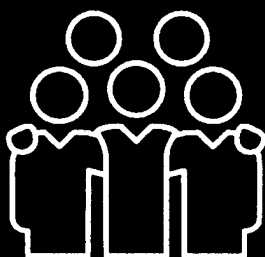


Record grants awarded
of more than
£17.8 million

First Giving
Report and
online
newsletters
produced

Doubled the deprivation uplift applied to grants
*ensuring funding is targeted at those areas that
need it most*

NEW TRANSFORMATIONAL
GRANTS PROGRAMME LAUNCHED



*Full compliance
with the
Charities
Governance code*

Bigger grants
for projects
supported
through our small
and large grants
programmes,
with 50% more
funding available



New
**Growing
Lives**
programme
launched



NEW GRANTS COMMITTEE ESTABLISHED

to oversee and advise the Board on the further
development of the Trust's grant-giving strategy

Allchurches Trust Limited

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Allchurches Trust Limited

About us

Allchurches Trust Limited (the Trust or the charity) was established in 1972. It is a registered charity that seeks to promote the Christian religion, providing grants to Anglican churches, churches of other denominations and charitable organisations with an emphasis on heritage, supporting those in need and strengthening communities.

The Trust is managed by the Board of trustees, who are also the directors of the charitable company for Companies Act purposes. The Trust is completely independent of the Church of England although, because of its Christian aims, some of its trustees and members are leading figures in the Church of England.

The Trust receives the majority of its income from the companies it owns and it does not fundraise. It is the owner of the Ecclesiastical Insurance Group plc (EIG plc) which in turn owns Ecclesiastical Insurance Office plc (EIO plc), an independent financial services company, regulated by the Financial Conduct Authority and Prudential Regulation Authority. EIO plc insures heritage buildings, charities, schools, churches and other faith buildings and its subsidiaries provide a range of specialist investment management, broking and advisory services.

A full list of the Trust's related undertakings is presented in note 46 to the financial statements.

Allchurches Trust Limited

Explanation of terms

Throughout the annual report, the following terms are used as defined below:

Ecclesiastical	The abbreviation for the legal entities which together comprise the Ecclesiastical Insurance group
Ecclesiastical Insurance group	The overall term for the Ecclesiastical business which includes Ecclesiastical Insurance Group plc and its direct and indirectly-owned subsidiaries
EIG plc	Ecclesiastical Insurance Group plc, the direct subsidiary of Allchurches Trust Limited
EIO plc	Ecclesiastical Insurance Office plc, a direct subsidiary of EIG plc. It is the principal operating subsidiary.
The Trust or the charity	Allchurches Trust Limited

Allchurches Trust Limited

Reference and administrative details

Board of trustees	Timothy Carroll, BA, MBA, FCII <i>Chairman</i> Michael Arlington BSc (Hon), FRAgS Caroline Banszky, BA, FCA Revd Paul Davis, BA The Very Revd Jane Hedges, BA Stephen C. Hudson BA (Hons), FCA Sir Stephen Lamport, GCVO DL The Venerable Karen Lund BA (Hons) Sir Laurie Magnus Bt Chris Moulder MA, FCA
Company Secretary	Mrs Rachael J. Hall FCIS
Registered and Head Office	Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Company Registration Number	1043742
Charity Registration Number	263960
Auditor	Deloitte LLP, Statutory Auditor, 1 New Street Square, London EC4A 3HQ United Kingdom
Bankers	National Westminster Bank plc, 21 Eastgate Street, Gloucester GL1 1NH
Solicitors	Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH
Investment Managers	EdenTree Investment Management Limited, 24 Monument Street, London EC3R 8AJ Rathbones Investment Management Limited, 8 Finsbury Circus, London EC2M 7AZ

Allchurches Trust Limited

Chairman's Report

This Annual Report and Accounts of Allchurches Trust is presented against a period of significant social and economic uncertainty as a result of the Covid-19 outbreak. We recognise, along with many other Christian funders, that this exceptional event will have a significant impact on our beneficiaries and the people and places they support. We stand with them during these challenging times and thank them for continuing to provide such vital support to communities as they adapt and innovate to meet changing needs.

Overview

2019 proved to be an excellent year for our wholly owned subsidiary, Ecclesiastical Insurance Group, with a record profit before tax of £71.1m¹ (2018: £13.4m¹) driven by robust underwriting profits and a strong investment return. This solid performance strengthened the company's capital position thereby providing additional security - including the ability to withstand temporary economic disruption - as well as flexibility for the future. Ecclesiastical has made over £96m of charitable donations since 2016 and has made great progress towards reaching its target of donating £100m to charity by the end of 2020. I congratulate the trustees and staff on their many achievements in the past year and thank them warmly on behalf of the Trust's many beneficiaries.

These strong financial results enabled Ecclesiastical to make a £30.0m (2018: £17.0m) grant to Allchurches Trust which, together with a donation of £5.0m (2018: £1.5m) from Methodist Insurance PLC, allowed the Trust, in turn, to donate £17.9m to more than 1200 beneficiaries worldwide (2018: £16.9m). We also invested an additional £13.5m (2018: £5.0m) in our Expendable Endowment Fund which, on 31 December 2019, stood at £109.4m (2018: £85.7m), providing a substantial buffer for years when our subsidiary's financial results are challenged and its grant, in consequence, is reduced. The fund generated additional income of £3.5m (2018: £3.5m) which was used to support our grant-making.

Grant-making

2019 saw the implementation of the recommendations arising from the Trust's Strategic Review of its grant-making completed during 2018 with the intention of maximising effectiveness while being more intentional, proactive and strategic in our approach. We also recognised that we need to be better able to evidence and demonstrate the impact of our grants, particularly the larger ones.

Our vision, to be a Trust that, through its grants to churches and other charitable organisations, makes a positive difference to people's lives remains unchanged. We were pleased to celebrate the diverse work and impact of our beneficiaries in our first Giving Report in 2019, as well as to share their stories through a new e-newsletter.

¹ This is the Ecclesiastical result under UK Generally Accepted Accounting Practice (UKGAAP) which is the accounting basis under which the charity and consolidated accounts of the Trust are prepared. Ecclesiastical prepares its accounts under International Financial Reporting Standards (IFRS). A reconciliation of the IFRS result and shareholders' funds to UKGAAP is shown in notes 22(f) and 22(g).

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We launched “Growing Lives” the first of what we hope will be a series of Thematic Grants programmes. Through the Growing Lives programme, we hope that churches and Christian charities will feel more confident, inspired and better equipped to help young people reach their potential, both spiritually and in other ways, through active participation in church and community life.

More than a million pounds has already been given to more than 100 churches and Christian organisations all over the UK. This new programme is enhancing our support for projects focused on improving the lives of those up to age 18, helping to build local partnerships by engaging more young people more regularly, and forging lasting relationships that provide an opportunity for individual, family, church and community flourishing.

In West Yorkshire for example, Hemsworth Methodist Church will use its £25,000 Growing Lives grant to help convert the nave of the chapel into a soft play area to give children a safe place to play, and to provide a café that will enable the church to serve healthy meals to young families in an area that has suffered since the closure of the coal mines. The play area will also be run as a social enterprise.

You can watch the latest video showing some of the projects we have supported and find links to Growing Lives case studies and advice and resources on our website at www.allchurches.co.uk/growinglives.

We also launched a “Transformational Grants” programme, through which we envisage more churches and charitable organisations will connect with more people, communities and organisations, who will benefit from their innovative and impactful work, and which will inspire and increase confidence in others to do likewise. This programme aims to assist the development of larger, more ambitious projects that are intended to have wide-ranging reach and impact (often national and sometimes inter-denominational in scope) and that will deliver a step-change – for the applicant organisation and/or the communities and other organisations its work supports.

We awarded a grant of £177,857 to Transforming Lives for Good (TLG) in October 2019 under this programme to help fund a major expansion of its ‘Make Lunch’ project. Every school holiday, TLG’s network of church partners open lunch clubs across the UK to provide free, healthy, cooked food and activities for children who are in receipt of free school meals.

Grant-making under existing programmes continues. In our Small Grants category, we receive on average some 70 applications per month and respond positively to more than 85% of them for amounts between £200 and £25,000. 47 Large Grants were made for amounts between £1,000 and £130,000.

Through its Methodist Grants-Giving Committee, the Trust awarded grants totalling £2.0m (2018: £2.2m) to support the mission and ministry of the Methodist Church in Britain and Ireland.

Allchurches Trust continues to devolve grant-making arrangements in Canada and Australia. I was privileged to visit Melbourne in the first week of September and met a number of local beneficiaries in addition to presenting to the staff of the Group’s Australian subsidiary, Ansvar Insurance, about the work of Allchurches Trust more broadly.

Allchurches Trust Limited

We pride ourselves on our ability and willingness to respond quickly to emergencies. One such was the devastating impact of the bushfires for many communities around Australia. While the bushfire season began with several serious uncontrolled fires in June, hundreds of fires burnt throughout the summer, peaking in December to January. We donated AUS\$50,000 to the Salvation Army Bushfire Appeal enabling emergency services and support to be delivered in over 165 locations across the country.

Our People

As I write this Report from my home office during the Coronavirus lockdown, I can only hope and pray for the better days that surely lie ahead. The daily flow of information and pace of activity across the small Allchurches Trust team as we work to help communities across the UK has been dynamic and humbling to say the least. Dioceses and cathedrals have already had confirmation of full payment of their 2020 grants, the first tranche being advanced by three months to June 2020. The first, Covid-19 specific, hardship relief grants have already been made. Work continues apace and I am so proud of our people and so grateful for all they are doing to continue to serve our beneficiaries despite the disruption to normal patterns of working. We will get through this test and emerge the stronger for it!

Mr Chris Moulder and Mr David Walton were appointed as trustees during 2019, Mr Walton resigning as a trustee in November for personal reasons. In addition, Sir Stephen Lamport and the Revd Paul Davis were appointed as trustees in March 2020.

I cannot close my first Chairman's report without paying tribute to our previous Chairman, Sir Philip Mawer, who retired on 31 December 2019. Sir Philip continues to be a member of the Trust and we look forward to welcoming him to many future AGMs. On any measure, he made an enormous contribution and leaves the Trust in robust good health. His are big shoes to fill and I am deeply honoured to have been considered a worthy successor.



Tim Carroll
Chairman
11 May 2020

Allchurches Trust Limited

Strategic Report

Our purposes and activities

The purposes of the charity are:

- to promote the Christian religion; and
- to contribute to the funds of any charitable institutions, associations, funds or objects and to carry out any charitable purpose.

The vision that shapes our annual activities remains the promotion of the Christian faith and Christian service to others through supporting the mission and work of dioceses and cathedrals and allocating our charitable giving in response to requests from Anglican churches, churches of other denominations, Christian communities and other charitable organisations.

The charity also has the general aim of assisting in areas of greatest need and encouraging the training and development of lay and ordained people as well as helping projects supporting communities and enabling evangelism and church growth.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public Benefit: Running a Charity (PB2)*. The charity's income is derived from the gift aid it receives from its subsidiary company, EIO plc, donations from Methodist Insurance PLC and the investment income generated from the charity's expendable endowment fund.

The objectives we have identified to help achieve the charity's aims in 2020 are as follows:

- Continue to implement and monitor the success of the new grants programmes launched in 2019; identify a partner in Ireland for the Heritage Grants programme; and identify potential new funding streams under the Thematic Grants programme.
- Continue to develop impact evaluation for the Trust, primarily focusing on the Transformational, Thematic and Large Grant Programmes, with the aim of having mechanisms in place by the end of 2020 to assess the impact of these schemes.
- Further develop internal and external communications plans, working with key stakeholders to increase transparency and recognition, to continue to raise the Trust's profile in a targeted manner and to explore how the Charity can add value to its existing beneficiaries through means additional to grant funding.
- Ensure the successful induction of the new auditors.

Allchurches Trust Limited

- Appoint a new investment advisor to the Trust following the resignation of PricewaterhouseCoopers ('PwC') (who can no longer undertake the role, as they will be appointed as the Trust's Statutory Auditor for the financial year ending 31 December 2020, following a tender process).
- Successfully induct the new chairman and Grants Committee chairman and the new trustees into their respective roles.
- Ensure that effective succession is in place for the roles of deputy chairman of the Board and the chairman of the Finance and Investment Committee, and implement any consequential changes in the Board's organisational arrangements.
- Continue to develop relationships with other funders, potential partners and delivery bodies and explore opportunities for major Christian grant-makers and other trusts to act collectively for the benefit of beneficiary groups.

Covid-19

The charity is very conscious of the fast-changing Covid-19 situation and, along with many other Christian funders, recognises that the pandemic is an exceptional event that will have a significant impact on our beneficiaries and the people and places they support.

As a funder, we recognise the need for flexibility in these challenging times, and want to support our beneficiaries to meet changing needs. We are doing this by offering our beneficiaries the flexibility to put forward proposals that might involve re-directing our grant monies to meet urgent community need in response to the pandemic.

The charity's own small team has, of course, also been impacted by the pandemic in terms of resource and administration of grants. However, we have been able to keep our existing grant-giving programmes up and running, and we have provided £250,000 funding to four charities tackling food poverty in response to the Coronavirus crisis. The Trust has also given reassurance to dioceses and cathedrals throughout the UK and Ireland that they will receive their 2020 recurrent grant in full, and that the first tranche of the payment will be brought forward by three months, recognising the financial difficulties they may be experiencing at this time, primarily due to church closures, and the impact on the communities they support.

We will continue to keep our own response to the crisis under review as the situation evolves, but the Trust remains well placed and looks forward to continuing to make a positive difference in partnership with our beneficiaries.

Allchurches Trust Limited

Achievements and Performance

We had another successful year during 2019, making significant progress in meeting the objectives we had set to further the charity's aims.

The objectives we set during 2019 were to:

- Implement the outcome of the Strategic Grants Review in a new Grants Strategy, including:
 - Implementing new scale awards and deprivation uplifts on regular grants (the new Small and Large Grants programmes)
 - Launching the new Transformational Grants programme
 - Launching the new Heritage Grants programme
 - Launching the new Thematic Grants programme
 - Implementing the new planning and reporting process to demonstrate the impact of recurrent grants.
- Convene a new Grants Policy Committee to advise the Board on the further development of the Trust's grant-making policies, the Committee's remit to include the work of the current Small Grants Fund Committee and pre-assessing Thematic and Transformational grant applications for recommendation to the Board, normally twice a year.
- Analyse existing data on the pattern and effect of the Trust's grants and establish an agreed process for measuring and reporting on the impact of those grants, building on the improved reporting mechanisms developed in 2018, thereby helping to ensure that the work undertaken by the Trust makes a real difference to internal and external stakeholders.
- Continue to ensure that effective succession planning is in place for the Board, in particular for succession to the role of chairman, and implement any consequential changes in the Board's organisational arrangements.
- Consider and implement as appropriate the recommendations arising from the Report of the Independent Evaluation of the Board conducted in the fourth quarter of 2018.
- Further develop internal and external communications plans, working with key stakeholders to improve transparency and recognition, to continue to raise the Trust's profile in a targeted manner and to add value to existing beneficiaries.
- Further develop relationships with other funders, potential partners and delivery bodies.

Allchurches Trust Limited

Our performance against each objective is set out below. More details of our grant giving in the year are included on pages 17-25.

Implement the outcome of the Strategic Grants Review in a new Grants Strategy

During 2017, the Board established a Strategic Grants Review Group to lead a review of the Trust's Grants strategy, chaired by Michael Arlington. The development of a new grants strategy for the Trust was successfully completed during 2018 after extensive consultation with dioceses (Bishops, Archdeacons and Diocesan Secretaries) and cathedrals and also key beneficiaries in Scotland, Wales and Ireland.

A revised methodology for the recurrent grants the Trust makes to Church of England dioceses (based on population and modified income (as a measure of relative deprivation)) was implemented during 2018 and the recurrent grants to Church of England cathedrals were marginally uplifted and fixed until the end of 2022. During 2019, processes were implemented to enable the Trust to better understand the impact made by these grants. Recurrent grant recipients were requested to provide information as to how they used their grant awarded in the prior year and their intentions for the use of the grant to be allocated in the following year. The analysis of the information obtained from dioceses and cathedrals has enabled the Trust to begin to identify trends and areas of need with the aim of being more directional in asking recurrent grant recipients to apply their grants to value-add activities. It has also enabled the Trust to begin to share case studies of the positive impact of these grants on parishes and the wider community, which are published on the website and signposted to the Trust's social media channels and beneficiary communications.

The Trust also reviewed the arrangements for the diocesan and cathedral grants in Ireland, Scotland and Wales to ensure that the principles underlying them were consistent with the approach being taken in England from 2020 onwards. Discussions continued throughout 2019 with the relevant Provincial offices and new arrangements have been implemented for Ireland and Scotland. Further work is being undertaken in respect of diocesan and cathedral grants in Wales.

In addition to the changes made to the recurrent grants, existing grant programmes were restructured during 2018. The following programmes were available from 1 January 2019:

- **Small Grants Programme** – this programme is available for projects with a total cost of up to £1.0m, awarding grants of up to £15,000 plus a potential deprivation uplift of up to 50%. During the year 856 grant awards were made totalling £2.7m.
- **Large Grants Programme** – this programme will be available for projects with a total cost of over £1.0m, awarding grants of up to £100,000 plus a potential deprivation uplift of up to 50%. During the year, 47 grant awards were made totalling £2.3m.
- **Transformational Grants Programme** – this programme is aimed at supporting projects of regional or national significance, awarding grants usually of over £100,000. During the year, ten grant awards were made totalling £1.2m. These helped to fund work including the church's mission in deprived communities, faith development, educational projects for young people, resilience and wellbeing projects for young people and adults, and enhancing the church's mission through cathedrals and larger churches.

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- **Thematic Grants Programme** – this will be a series of funding streams, to be launched over a 3-5 year period, targeted at particular issues or problems. The first theme ‘Growing Lives’ launched in May 2019 and aims to support churches and Christian organisations to connect with children and young people in their communities through funding the adaptation of buildings and provision of equipment. This new theme has been a huge success and by the end of year, 86 grant awards were made totalling £0.9m. The trustees have agreed to extend the duration of ‘Growing Lives’ and have allocated an additional budget of £2m for the Thematic Grants Programme in 2020, £1m of which is earmarked for ‘Growing Lives’.
- **Heritage Grants Programme** – this programme has been undertaken in conjunction with partners with the aim of protecting the UK and Ireland’s heritage, for the benefit of all. The first grants under this programme have focused on the promotion and protection of traditional craft and heritage skills. The Trust has agreed to partner with Historic England to fund an apprenticeship programme for three years; with the Prince’s Foundation and Strata Florida Trust to fund an archaeology field school in Wales; and with the Queen Elizabeth Scholarship Trust (QEST) to fund craft apprentices and scholars. In addition, grants have been made under this programme to The Heritage Crafts Association (to fund craftspeople engaged in at risk crafts) and Gloucester Cathedral (to fund a trainee stonemason). These latter grants were made in recognition of the particular contribution to the development of traditional craft skills that both the Cathedral and The Heritage Crafts Association are able to offer through their work in this area.
- **Methodist Grants Programme** – the overarching aim of this programme is to enhance the mission and ministry of the Methodist Church in Great Britain and the Methodist Church in Ireland, through grant support to the Methodist Connexion, Methodist Districts and Circuits, and individual Methodist churches and charities. The programme does not support routine building maintenance but instead, awards grants for projects which are specifically concerned with building development, mission, outreach and community benefit, with applicants also encouraged to demonstrate a focus on energy efficiency. During the course of 2019, 54 grants totalling £2.0m were awarded through this programme.
- **Roof Alarms Programme** - in response to the ongoing issue of theft of metal from church roofs, through this programme the Trust now offers grants of up to 50% of the cost of a roof alarm, capped at £2,500, to churches at risk from metal theft. Grants can be applied for either direct to the Trust, or to a growing number of Dioceses and local Historic Churches Trusts with which the Trust has provided funding to establish grant schemes around the country. Churches must install insurer-approved alarm systems, and commit to maintaining the system for a minimum of 5 years. During the year, 53 grant awards were made totalling £0.3m.

In line with our aim of helping those in greater need, grants made to churches and other organisations in relatively disadvantaged areas can be increased by up to 50%, depending on levels of relative deprivation. Deprivation is also taken account of in determining awards made through the ‘Growing Lives’ thematic grants programme.

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Convene a new Grants Committee

The Trust established a Grants Committee in January 2019. The Committee comprises four trustees and meets quarterly. It is responsible for overseeing and advising the Board on the further development of the Trust's grant-giving strategy, processes and other arrangements. It has successfully assessed the first Thematic and Transformational grant applications for recommendation to the Board. It plans to consider the development of a further theme during 2020.

Measuring and Reporting on Impact

As outlined above, the Trust has implemented processes to enable the Trust to measure the impact made by its recurrent grants to dioceses and cathedrals. In addition, the trustees, with the benefit of an external consultant, considered the evaluation of impact more broadly within its grants programmes and agreed a more in-depth evaluation of impact would be extended to the Thematic and Transformational grant programmes. The external consultant has continued to assist the Trust with the evaluation of impact for the Thematic and Transformational programmes; this work was concluded in Quarter 1, 2020.

The Trust has also worked in partnership with Church Urban Fund (CUF), developing an impact assessment and project-reporting toolkit and advice to aid, inter alia, its beneficiaries in assessing the impact of their projects. These tools are available on the Trust's 'Advice and Resources Hub' on its website, along with a related advice blog.

Continue to ensure that effective succession planning is in place for the Board

The Trust has developed a formal succession plan to identify emergency successors, short-term successors and long-term successors to the roles of Board Chairman, Committee Chairmen, and other trustees. The plan is considered by the Nominations Committee annually and recommended to the Board.

On 31 December 2019, Sir Philip Mawer resigned as Chairman and trustee after nine years' service to the Trust, six of them as Chairman. The Nominations Committee led the process to recruit a successor and in June 2019, Mr Tim Carroll, an existing trustee, was appointed as Chairman elect. Mr Carroll became Chairman on 1 January 2020.

Following the resignation of Sir Philip, a number of changes were made to the membership of a number of Committees. In particular, Mr Arlington has succeeded Sir Philip, as Chairman of the Grants Committee and Mr Hudson has been appointed as a member of the Methodist Grants-Giving Committee with Revd Barriball, a Methodist representative, appointed as Chair for a period of one year.

As part of the succession planning process, two trustees were appointed to the Trust during the year – Chris Moulder was appointed to act as a 'common director' with the Trust's subsidiary, and David Walton (who later resigned for personal reasons). In addition, two further trustees have been appointed during 2020: Sir Stephen Lamport was appointed as a trustee on 5 March 2020 and has subsequently been appointed to the Board of the Trust's subsidiary, EIG plc and will serve as a

Allchurches Trust Limited

'common director'. Revd Paul Davis was appointed as a trustee on 29 March 2020 to succeed David Walton. Details of the trustees who have stepped down during the year and the new trustees appointed during the year can be found on page 51.

Implement the recommendations arising from the Report of the Independent Evaluation of the Board

The Board undertook an external Board Evaluation by an independent evaluator in the fourth quarter of 2018. The results of the evaluation were considered by the Board at its meeting in December 2018 and all recommendations were accepted. The recommendations largely related to improving the quality of the papers circulated to the Finance and Investment Committee, uploading approved minutes to the Board portal accessed by the trustees, extending the length of Board and Committee meetings to ensure that adequate time is given to the consideration of matters and reminding trustees that training and development courses were available for them to attend at the Trust's expense. The implementation of the recommendations was monitored by the Nominations Committee. All were achieved during the year.

Further develop internal and external communications plans, working with key stakeholders to improve transparency and recognition, to continue to raise the Trust's profile in a targeted manner

In 2019, Allchurches Trust continued to significantly increase its communications and marketing activity; enabling the Trust to more effectively tell the story of the impact of its grants to internal and external audiences. During the year, the Trust introduced a quarterly digital newsletter, launched a new advice blog platform and produced its first Giving Report, as well as developing and enhancing toolkits and resources for beneficiaries. The launch of the Growing Lives grants programme in May 2019 resulted in record website traffic and record-breaking reach and engagement across social media channels (overall 2019 increases reflected in reach and awareness summary on page 22). It was supported by a detailed stakeholder mapping exercise, which enabled the Trust to raise awareness among and encourage applications from new audiences, particularly a wider range of Christian denominations.

Further develop relationships with other funders, potential partners and delivery bodies

The Trust has continued to meet regularly with representatives from other charitable bodies and funders during the year. As outlined above, the Heritage Grants Programme has been launched in collaboration with five external organisations in the UK and it is intended to identify a further partner in the Republic of Ireland. In addition, the Chairman of the Trust meets regularly with the Chairs of major Christian Funders. The trustees and staff team also meet occasionally with other charitable trusts that have similar organisational structures to our own to share learning and best practice.

Allchurches Trust Limited

Grant Giving and Impact Assessment

The Trust's principal source of income is the grants it receives as the owner of the Ecclesiastical Insurance group. As insurance is a risk business, these may fluctuate markedly. Thanks to the efforts of Ecclesiastical staff and the loyalty of its customers, we were again able to increase our financial support to churches and other charitable institutions significantly in 2019, with total charitable giving of £17.9m (2018: £16.9m).

The charitable giving of the Trust is shown in its statement of financial activities on page 61. An analysis of charitable giving is shown on pages 23-25 and in note 6 to the charity financial statements.

The Trust has agreed a number of key performance indicators (KPIs) and measurable targets to assess the efficiency and effectiveness of its grant making:

	2019	2018	2017
Total charitable giving by the Trust	£17,850,255	£16,943,744	£15,592,834
Total number of applications received	1,250	1,140	1,214
Percentage of applications received in the year falling within the grant policies of the Trust that were considered and were successful	92%	89%	94%
Total number of grants uplifted by a deprivation scale factor	439	417	389
Total number of grants uplifted by a deprivation scale factor as a percentage of total number of grants awarded	35.5%	40.9%	30.3%
Operating costs of the Trust (staff, administration and overheads including donated services) as a percentage of total charitable giving	4.3%	4.5%	4.6%

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The Trust has steadily increased its charitable giving since its formation in 1972, distributing £121.3m over the past 10 years. Total expenditure on grants is inevitably influenced by the fluctuating number of applications received by the Trust, the size of the projects for which assistance is sought and the Trust's income.

The Trust aims to award a grant in respect of at least 85% of those applications received which conform to its objects and its grant-making policies. This was achieved during the period highlighted in the table above.

During 2019, only six applicants did not complete their project and returned their grant to the Trust (2018: seven).

The Trust aims, in particular, to help those in areas of greater need. Grants awarded in response to applications from such areas are increased above the normal level. The Trust expects grants to such areas to constitute at least 20% of total grants made. In 2019, 35.5% of grants made by the Trust were uplifted by a deprivation scale factor (2018: 40.9%). The trustees have not set a target for the percentage of grants uplifted in this way as applications to the Trust are externally driven.

The Trust aims to ensure that the total of its operating costs remains below 7.5% of its total charitable giving. From the data shown in the above table, the Trust has achieved this target in each of the three years assessed.

The Trust recognises that it needs to improve its assessment of the impact of its grant making and to ensure that its grant giving is having the desired effect and making a real difference to beneficiaries. Steps have continued to be taken to strengthen this area during 2019 and reporting mechanisms will be adapted and improved to reflect the learnings from this work during 2020. As noted earlier, work continues with an external consultant to improve the Trust's impact evaluation processes focusing on the Thematic and Transformational grants programmes initially, with the intention that learning from this work will then be applied to other grants programmes in appropriate ways. Improvements to the impact evaluation of the Trust's recurrent grants to Anglican dioceses and cathedrals is also in progress, with this work expected to conclude in Quarter 2 2020.

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Beneficiary Relations

The satisfaction of beneficiaries in their dealings with the Trust is of great importance to the trustees. As part of the Strategic Grants Review, extensive consultation was undertaken with beneficiary groups to ensure that the trustees took into account a wide range of views in reaching decisions.

In addition, the Trust keeps abreast of issues affecting its various stakeholders and, in particular, has continued to monitor closely during the year the impact of the Church of England's Renewal and Reform programme on Dioceses; the decision of the Heritage Lottery Fund (now known as the National Lottery Heritage Fund) to withdraw its Grants for Places of Worship scheme; the outcome of the Taylor Review into the Sustainability of English Churches and Cathedrals (final report due in summer 2020); and also the work of the Cathedrals Working Group, established by the Archbishops of Canterbury and York, the report of which was received during 2018 and the follow-up to which is now underway. The Trust maintains active dialogue with key stakeholders - including other funders in the sector - in these areas, and will continue to consider how best it might respond to developments as they unfold, both through grant funding and in other ways.

The Trust requests feedback from all its beneficiaries on their experience of dealing with the Trust. While the Trust has always received a lot of positive feedback from its beneficiaries on the value and impact of the money we give and its relatively simple and speedy grant-making process, beneficiaries and partners are also now increasingly feeding back on the quality and usefulness of the advice and resources the Trust provides and the support provided with storytelling/awareness-raising around projects. Below are a representative selection of beneficiary comments:

"The grant you provided shows the importance of trusts such as Allchurches, in that relatively small amounts of funding can have a major impact in communities and be the catalyst to sustainable activities. I believe that sharing information and experiences is a vital aspect of all such work, and a ripple effect helps far more people than our small project could do in isolation."

David Bowser, St Francis Church, Bramley

On behalf of St Bartholomew's Church, I would like to thank the trustees for this wonderful grant. It has already proved helpful in driving our project forward as more volunteers stepped forward when they heard about it. Many thanks for all the publicity advice, which we shall certainly be taking advantage of."

Jennifer Watson, Church Warden, St Bartholomew's Church, Sealand

"I cannot thank @AllchurchesT enough for the support they've given to our Mission Apprentice team in Birmingham. Such an honour to be featured in their annual Giving Report #Mission #Poverty"

Lizzie Gawen, Mission Apprentice Scheme, Birmingham

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"Just to let you know, our press release has received fantastic attention. The Lancaster Guardian has popped it in as a full page spread in this week's paper. They have also called me to say what an amazing achievement this project is, and they want to come and interview our family life centre manager in the New Year to do a follow up piece. We have also heard that the Diocesan magazine wants to monitor the project from here-on, and that they have sent the press release onto the Church Times. They are also going to nudge BBC Radio Lancashire on our behalf, about featuring the project. So we have really achieved a lot with one press release. I know I keep thanking you, but we wouldn't have been able to get this amount of media attention, without your help. So thank you once again... and for the donation itself, of course!"

Karen Shackleton, Heart of the City project, Lancaster

"Thanks for the Allchurches newsletter this morning. It's always such a great read and I love the projects you are funding. The website is also interesting and there is such a variety of projects that you fund. I especially liked the growing crops and church together in Darlington. I have been talking to our pastor about a plot of land at the back of our church which hopefully we will get permission to turn into an urban edible garden to supply our community cafe. Keep up the good work! :)"

Antony Oliver

The 'word cloud' below also gives a visual representation of some words and terms that beneficiaries and partners use when talking about Allchurches Trust on Twitter. The size of the word reflects the number of times it was mentioned.



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The Trust has agreed a number of KPIs and measurable targets to assess the satisfaction of beneficiaries in their dealings with the Trust:

	2019	2018	2017
Total number of messages of appreciation received	627	519	736
Total number of complaints received	None	None	None
Percentage of applications dealt with in the time period specified below:	%	%	%
< 3 months	86.1	91.8	91.7
3 – 6 months	7.6	7.1	5.0
6 – 12 months	0.5	0.5	2.5
>12 months	0.2	-	-
Pending a decision	5.6	0.6	0.8

The Trust aims to achieve a 95% satisfaction rate in its dealings with beneficiaries, as measured by the number of complaints received as a percentage of the total number of applications handled. From the data shown in the table above, the Trust has achieved this target in each of the years assessed.

The speed with which applications are decided depends on the scale and complexity of the project involved. The Trust aims to deal with 75% of grant applications within six months of their receipt and 90% within 12 months. From the table shown above, 93.7% of grant applications were dealt with within six months and 94.2% within 12 months during 2019. The Trust met its target for each of the periods assessed.

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Reach and Awareness

As previously mentioned, the trustees have continued to improve the reach and promote awareness of the Trust during the year, with major increases in website traffic and social media reach and followers. The Trust has raised its profile in the media, enhanced its social engagement and developed new advice and resources for beneficiaries, including the launch of a new advice blog platform, bringing together in-house and external expertise for the benefit of beneficiary groups.

Website performance¹

	2019	2018	2017
Users	39,938	24,094	21,183
New users	39,412	23,341	20,674
Sessions	67,797	38,874	33,197*

*Note: the figure quoted for sessions (hits) in the 2017 annual report differs from the figure quoted for 2017 in the table above. A false traffic source was being tracked in 2017 and the figures from this source have now been removed to give more accurate 2017 figures. The source was removed from our analytics in January 2018.

Social media performance

	End of 2019	End of 2018	End of 2017
Twitter followers	1,148	663	359
Twitter impressions	484,900	268,622	71,734
Facebook followers	698	234	76
Facebook reach	62,764	42,903	14,584

*Note: the Allchurches Trust Twitter channel launched in January 2017. The Trust's Facebook page launched in May 2017. 'Impressions' represents the number of people reached.

¹ A user is an individual visiting the website, and the number of sessions represents the times those users interacted with our site, hence the number of sessions being significantly higher than the numbers of individual users each year as most users will access the website more than once in any given year (note also that if a user visited the website using two different internet browsers, this would count as two users/new users). The total of new users in relation to overall users is high for Allchurches Trust due to the fact that most users will visit the site on behalf of their organisation to access information on what we fund and how to apply, before completing an online application form on the Benefactor grant-giving software that is external to the Allchurches Trust website. They are then unlikely to return to the website the following year as there is a two-year rule for the majority of the Trust's grants programmes, i.e. you cannot apply for a grant from Allchurches Trust if your organisation has received funding from the Trust in the last two years. The analytics platform sets a two-year expiration date on new visitors, so if they visited the website for the first time in 2017, and then did so again after that date in 2019, they would appear as a new user both times. The fact that the Trust introduced a new website in May 2018, with old and new websites linked to two different analytics accounts, will also have resulted in occasions where website users prior to May 2018 are counted as new users when they visit the 'new' website (post May 2018) for the first time.

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'Growing Lives'

The Trust's new thematic programme, 'Growing Lives', has also provided a platform to reach out and engage with new audiences. The Trust has agreed the following KPIs to measure the success of this grant programme:

	2019
% of applications from denominations outside the Church of England	59.3%
% of 'Growing Lives' budget spent	92.1%

In launching 'Growing Lives', the Trust aimed to encourage applications from a range of Christian denominations, with at least 30% of applications coming from churches from denominations outside of Church of England, and Christian charities. In addition, the Trust aimed to generate sufficient number and quality of applications to fulfil at least 50% of budget spend for thematic programme by the end of 2019. The Trust achieved both of these targets. Additional 'Growing Lives' KPIs are in development for 2020.

The geographical, denominational and charitable spread of grants made, which are shown in the following tables, are largely determined by the Trust's objects and the pattern of applications received by the Trust.

The Trust has agreed a number of KPIs which measure the reach of and the extent of awareness of its charitable grant making:

	2019		2018	
	Based on number of grants awarded	Based on value of grants awarded	Based on number of grants awarded	Based on value of grants awarded
Geographical spread of grants:	%	%	%	%
National projects	1.0	5.8	0.1	1.7
England				
<i>North East</i>	3.4	3.0	3.4	3.6
<i>North West</i>	9.0	9.4	8.4	7.9
<i>Yorkshire and The Humber</i>	10.7	8.8	9.7	11.1
<i>East Midlands</i>	8.2	7.6	9.1	7.1
<i>West Midlands</i>	9.2	7.3	10.3	7.1
<i>East of England</i>	13.8	10.6	10.9	8.7
<i>London</i>	6.5	15.4	6.5	22.8
<i>South East</i>	12.7	11.5	15.0	11.8
<i>South West</i>	11.7	10.2	12.5	7.8
Scotland	5.0	2.3	4.4	3.1
Wales	4.8	4.3	4.9	3.7
Northern Ireland	1.5	0.8	2.1	1.0
Republic of Ireland	1.9	2.5	2.2	1.6
Other	0.6	0.5	0.5	1.0

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	2019		2018	
	Based on number of grants awarded	Based on value of grants awarded	Based on number of grants awarded	Based on value of grants awarded
Denominational spread of grants:*	%	%	%	%
Church of England	63.5	69.7	65.9	66.0
Church of Scotland	1.3	0.4	1.0	0.4
Baptist	4.3	1.3	2.8	0.5
Methodist	11.0	14.9	11.9	16.5
Roman Catholic	4.1	1.2	1.1	0.1
URC	1.7	0.7	1.4	0.3
Church of Ireland	2.5	2.7	3.1	1.9
Scottish Episcopal Church	1.9	1.2	2.8	1.5
Church in Wales	3.8	4.0	4.2	3.7
Other Anglican	-	-	0.7	6.5**
Other Churches	5.9	3.9	5.1	2.6

* These percentages relate only to grants given to churches and church bodies.

** includes grants totalling £0.9m awarded to the Lambeth Conference.

	2019		2018	
	Based on number of grants awarded	Based on value of grants awarded	Based on number of grants awarded	Based on value of grants awarded
Charitable spread of grants:	%	%	%	%
Cathedrals	7.0	11.2	7.8	11.4
Churches	72.7	26.5	72.2	19.1
Dioceses	5.4	40.6	5.8	42.1
Registered charities	14.9	21.7	14.2	27.4

With the exception of those grants given to dioceses and cathedrals on a recurrent basis, the grants made by the Trust reflect the number of applications received and the size of the project each application involves as well as the decisions made by trustees about those applications. Assessing trends in grant-making data can therefore be difficult when so much of that data is externally driven. However, the tables above indicate that the Trust's giving is geographically and denominationally spread (it is not, in particular, confined by any means either to the Church of England or to churches), and is used to support a range of projects in line with its objects. Examples of some individual grants made can be found on pages 26-32 of this report.

The Church of England receives the highest percentage of grants made by the Trust to churches for a number of reasons, including the fact that it is the Established Church in England with a much higher number of parishes and church buildings to support than any other denomination. Many of its parish churches are listed buildings and preservation of these buildings features heavily in the applications

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received by the Trust. With a church in every parish (over 16,000 throughout England), Church of England churches are at the heart of local community life.

Indeed, many applications received by the Trust are not just about maintaining church buildings but about adapting them for community use, thus helping those communities to develop and thrive. Many applications involve the provision by churches and other local groups of services to the community, such as helping people experiencing homelessness, supporting asylum seekers, providing groups to tackle loneliness among older people or activities for young people and families. Again, some examples are given later in this report.

The charitable spread of grants based on value given is strongly affected by the recurrent grants made to dioceses and cathedrals. These recurrent grants have a long history and, as explained previously, have recently been reviewed as part of the Trust's Strategic Review of its grant-making policies and procedures.

A growing proportion of the number of the Trust's grants is now given to charities other than churches, demonstrating the Trust's increasingly wide range and profile. Encouraging applications from a range of Christian denominations was a focus in launching the Trust's 'Growing Lives' programme in May 2019, and with 59.3% of applications coming from Christian charities and churches outside the Church of England, exceeded targets set.

At the heart of the Trust's grant-making is the Christian belief that individuals reach their full potential in community and that the opportunity to flourish should be available to all. Increasingly, our grants target people in need but they also strengthen the churches, schools and charities who deliver that help.

The trustees will further analyse the data produced in relation to the KPIs during the course of 2020 and will consider any implications for the development of the Trust's grant-giving programmes in future years. These implications are only likely fully to emerge, however, when the Trust has gathered further comparative data covering an additional number of years. Moreover, the ability of the trustees to fine-tune the pattern of grant-making will always remain limited in light of the responsive nature of much of the Trust's work. Accordingly, no specific targets have been set for the Trust's geographical, denominational or charitable spread of grants for 2020.

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Examples of 2019 charitable giving

ALLCHURCHES TRUST IN ACTION

Our Transformational Grants

Building financial resilience in young people

A £250,000 grant from the Trust will enable The Just Finance Foundation's LifeSavers programme to provide financial education to thousands more primary school children, helping them to develop healthy money skills and habits at a key point in their lives.

Lifesavers is an educational programme that teaches children the key skills and knowledge required to manage money effectively. Research has highlighted that habits around money are being formed by the age of seven, yet just 5% of parents think that their child or children leave school with the adequate skills needed to manage their money well.

The Trust's investment over three years will not only allow LifeSavers to continue assisting the 120 schools the programme is already embedded in, it will enable an expansion into Wiltshire and Nottinghamshire. The Trust and The Just Finance Foundation hope this expansion will reach 40 schools, delivering crucial financial education to 8,000 new children.

Developing estate leaders to become community catalysts

Up to 50 people will be trained to work as leaders on estates and neighbouring communities over the next three years thanks to a grant of more than £155,903 to The Archbishops' Council to enable work being delivered through the National Estate Churches Network. The funding will provide support for leaders ministering in estate churches with a focus on encouraging work with children and young people.

The funding will help estate church leaders work in partnership with organisations to increase the number of children and youth groups working in areas such as education, wellbeing, crime reduction and improvements in the environment, as well as courses with Christian content.

The grant is aimed at resourcing the growing network of estate church groups across the country, and developing leaders who will act as catalysts for building impactful community partnerships on estates in Birmingham and London, with the learnings from these pilots then providing a blueprint for a national network.

Tackling loneliness and boosting wellbeing

Kintsugi Hope has received a grant of £83,514 from the Trust to grow its Wellbeing Groups project over the next three years, enabling more churches to access resources and support to tackle loneliness and mental health issues in their communities.

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Feedback from the 10 pilot groups across England – including one in a homeless hostel – has been extremely positive, with the majority of participant evaluations showing a step improvement in mental, emotional and social wellbeing. The sessions take a facilitated peer-mentoring approach with session materials covering areas such as honesty, anxiety, anger, self-acceptance and resilience.

The Trust's grant will enable Kintsugi Hope to appoint a new National Wellbeing Groups Coordinator. The project will also see 10 Volunteer Ambassadors trained and recruited to support Group Leaders and fund the development of an interactive website for Group Leaders to access material, manage groups and network. It is also planned to research and pilot new material aimed at young people.

Although the Groups have only 12 weeks of content, the project is designed to encourage churches and group leaders to engage participants to become part of a sustainable community. The aim is to have up to 100 Wellbeing Groups running annually across the country by April 2022.

Our Large grants

Helping Abbey project go green

A £50,000 grant to Bath Abbey in 2019 will help provide a new Song School and install an eco-heating system that will use the energy from Bath's famous hot springs.

Underpinning Bath Abbey and the new spaces created by Footprint is the innovative heating, hot water and renewable energy equipment, which will ensure the Abbey is supported by efficient and environmentally sustainable systems. Using cutting-edge technology to harness sustainable energy from Bath's hot springs, the new heat extraction system will contribute approximately 480,000kWhs of energy, which represents a carbon saving of nearly 60%.

The former Abbey offices in Kingston Buildings will be fully renovated and will now also include a new Song School for the Abbey Choirs, local music groups and other musicians, and a dedicated room for volunteers, all of which will now be fully accessible thanks to new lifts and disabled toilets being installed as part of the funding from Allchurches Trust.

Going digital to target church community support in Wales

Parish boundary maps across Wales are going digital for the first time in a major project aimed at improving the way churches serve their communities. With the help of £14,500 funding from the Trust, The Church in Wales is creating a complete digital map of the country, including the boundaries of its 466 parishes and ministry areas. The maps will then be used to model demographic trends specific to each area.

The project will provide church leaders with key data about people in their areas – such as the age profile, education level and employment status – enabling them to tailor their services to their communities. That could mean setting up more foodbanks or debt centres in areas where there is greatest poverty, or extending initiatives such as Messy Church and after school clubs in places

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where there are high numbers of children. The data collected will also help inform decisions about how best to support congregations.

Providing holistic care for Lancaster families

St Thomas' Church Lancaster is building a new Family Life Centre as part of its major church renovation and building project, Heart of the City, with the help of a £40,000 grant. The new centre will enable the church to provide far greater support to vulnerable members of Lancaster's community, and all services will be available to any family or person in need.

The Family Life Centre will bring together health, education, counselling, financial and listening services and will provide early intervention social support for families under pressure and needing help to cope. It will be open six days a week and, on Sundays, will be used for church activities. It will house multiple services, focus on deepening partnerships, and make use of best practice models for provision of community support and social action. A part-time Parish Nurse and Manager will be employed as part of the project.

Our heritage grants

Training the next generation of stonemasons

A talented stonemason will also get the chance to hone his craft at Gloucester Cathedral with the help of a £25,000 grant from the Trust's heritage programme. The Trust's funding will support the newest trainee, Martin Gwilliams, during his two-year training programme through the Cathedrals Workshop Fellowship (CWF), which will culminate in a Foundation Degree in Applied Historic Building Conservation and Repair awarded by the University of Gloucestershire.

Protecting endangered crafts from extinction

A grant of £12,000 has also been awarded to the Heritage Crafts Association's (HCA) Endangered Craft Fund, which gives small grants for either teaching or learning to support the development of individual craftspeople to teach or learn skills in their craft. The HCA is committed to training and mentoring craftspeople to keep these heritage skills alive and build meaningful livings and lifestyles at the same time.

Our Growing Lives grants

Creating a buzz in Nottingham

St Margaret's Church in Aspley, Nottingham, will benefit from a £7,000 grant to develop its 'Bee family' programme – an after school community group aimed at young families who live in the local estates around the church. The aim of the group is to provide hot meals, helping tackle local food poverty, as well as to build relationships. Zones around the church will provide support with homework, games, a parent/carers area, refreshments and a prayer space.

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Opening doors to musical education

A grant of £6,300 will support St George's Roman Catholic Cathedral in Southwark, London, to re-launch its cathedral choirs. These choirs comprise boys and girls from local state primary schools, with the choir being the only source of musical education for many of its members.

Building bridges in Newcastle

Robert Stewart Memorial United Reformed Church – located in a disadvantaged part of Newcastle - received a £22,000 grant. It is actively seeking to break down barriers, bringing young people together from uniformed groups, the weekly youth club, an Ethiopian church that meets in the building and the local Eastern European community, by holding joint events. New facilities will improve access for people with disabilities, while a new kitchen will provide cookery classes and refreshments.

A recipe for tackling food poverty

An £18,000 grant to St Thomas Church in Swansea – located in one of the top 10% most disadvantaged areas in Wales - will help fund a new catering and training kitchen to feed families in school holidays and to teach them to cook in partnership with the local food bank. A new youth café will also be created.

All the world's a stage

Oakworth Methodist Church in West Yorkshire will use its £10,000 grant to fund new staging, lighting and audio equipment. The church's mission is based around providing drama and dance activities for children and young people of all abilities to develop life skills and confidence while opening up their lives to faith.

A welcoming space for leisure and listening

A £7,500 grant will help Hooe Baptist Church in Plymouth to upgrade its facilities so that it can run a youth café and cinema night. A trained counsellor will provide a listening ear at the café drop-in. High Street Baptist Church in Tring, Hertfordshire, will use its £4,900 grant to increase the size of its worship area to create more community space for after school clubs and holiday events. It will also run an evening service for young people.

Adventures ahoy for teenagers

Fellowship Afloat Charitable Trust (FACT) in Tollesbury, Essex will use its £10,900 grant towards purchasing a Gig – a boat which would take young people aged 11 to 14 out on adventures. The charity supports around 2000 young people each year, including those supported by substance abuse programmes and experiencing homelessness, refugee families, young carers and young people with physical and learning difficulties.

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Our small grants

A narrowboat to broaden horizons in Scotland

Polwarth Parish Church sits on the banks of the Union Canal in Edinburgh and is known as the Kirk on the Canal. Over the past decade, it has been transforming its spaces and pursuing its mission to become a place of wellbeing for all. Making the most of its unique location, the church is now taking to the waters of the canal itself.

A £2,250 grant to Polwarth Parish Church will go towards the purchase and renovation of a previously loved narrowboat, which will become a focus for youth engagement in partnership with the Edinburgh social innovation charity, People Know How. The joint project, All Aboard: Navigating Life Together, will develop personal and practical skills focused on the narrowboat itself and the natural and cultural heritage of the Union Canal and its conservation.

Connecting community in Northern Ireland

Banbridge Elim Pentecostal Church in County Down works with a range of community groups to support young people of all faiths and none who have experienced difficult and complex family backgrounds. It also supports people suffering with anxiety and depression, and works with Autism NI to deliver projects that meet the needs of people living with autism. Regular parenting classes, Saturday night youth groups and family fun days are also an important part of how it serves Banbridge in addition to its regular well-attended programme of worship. Banbridge Elim's church hall has now become too small for the community's demand on its services, and our £3,375 grant will help extend the existing church hall building and build a new crèche at the same time.

No compromise on hope in Norfolk

A grant of £18,000 is supporting The Matthew Project to develop the first community recovery centre in Norfolk. The Next Steps Recovery Centre will provide a welcoming and vibrant place for people in recovery from substance misuse to participate in employment and skills training, leisure activities and therapy in a community setting.

The Matthew Project has been supporting adults and young people in recovery, veterans, and the families and carers of those affected by substance misuse, throughout Norfolk, Suffolk and Essex for more than 34 years. More than 60 expert staff support more than 1600 people each year, and the charity also operates a vital one-to-one outreach programme to support those who cannot access their services any other way.

A colourful home for independent living

A £10,000 grant to Rainbow Living, a small volunteer-run charity in Exeter, has helped them to purchase and refurbish a fourth Rainbow House.

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The charity was formed out of the care, concern and friendship of a group of parents of young people with varying disabilities, who began to question the future lives, options and security of their children as they grew into adulthood.

In 2006, they formed the Rainbow Living charity and purchased the first Rainbow House in Exeter, adapting it to meet the needs of their adult children and enable them to live independently with choice and support on a self-sustainable basis.

Our annual grants to cathedrals and dioceses

The Trust provides annual grants to dioceses and cathedrals throughout the UK and Ireland to fund a range of programmes and activities that are focused on community engagement, social action, education and more.

Working at the front line of the food bank crisis

With our annual grant, the Diocese of London fund clergy members for a number of parishes and churches in areas of high need, like St Paul's and the Good Shepherd in Hounslow West. St Paul's are one of around 2,000 churches and charities throughout the UK that now run food banks, supporting more than four million people in the UK who are trapped in deep poverty.

While the clients wait for their food parcel to be made up, they enjoy a hot drink and cake served by the friendly volunteer café team. Debt advisors and representatives from local social services are available for clients to talk to, helping not just to tackle the immediate need for assistance with food, but also to support individuals with additional needs.

Opening up St Paul's to all

The Trust's annual grant is helping St Paul's Cathedral to make one of the most significant changes to the Cathedral's exterior in 300 years – an exciting project to construct a permanent, accessible, ramped entrance to the north side.

The beautiful design solution, which has involved more than 20 years of planning, design and testing, will see a ramped entrance added made of Portland stone - the same stone originally used by Sir Christopher Wren to build 'the new' St Paul's. Construction is expected to be completed during summer 2020, meeting the commitment of St Paul's to ensuring that everyone is able to share in the life and work of the Cathedral in the 21st century.

Cooking up connection and nurturing new skills

In the Diocese of Coventry, our annual grant helps to fund Family Link Worker projects, which are part of a joint venture, Together For Change, between the diocese and Church Urban Fund (CUF). The Family Link Worker at St Laurence's Church, Coventry and St Laurence's Church of England Primary School, runs a weekly Slow Cooker Course, held in the primary school and open to all parents of enrolled children.

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The free six-week course is teaching families – some with no access to a stove or kitchen - how to cook healthy, cost effective, hot meals with just a plug-in slow cooker. On completion of a six week course, participants are given their own slow cooker and copies of the recipes they have learned to cook. They also finish the course with new friends, a sense of pride, increased self-confidence and better self-esteem.

Methodist grants programme

Bolsover Methodist Church received a grant of £50,000 through the Methodist grants programme to support its incredible work with the Freedom Community Project in a deprived, post-industrial area of Derbyshire. A £6,750 grant from the Trust's Small Grants programme was also awarded to the same project.

The funding will help to redevelop the church building, providing more space and making the building more flexible for worshippers, community groups and the Freedom Community Project – a regional charity supporting 13 post-industrial and deprived centres around Derbyshire and Sheffield, which is continuing to expand. Since the Freedom Community Project began, it has recovered £2.8 million of benefits for people entitled to them; housed 92 people with no home; helped £2.0 million of personal debt become managed; and provided 14,700 food parcels.

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Financial Review

Parent charity

The charity statement of financial activities is shown on page 61.

Income

In 2019, the charity's total income increased to £39.0m (2018: £22.0m). The 77% increase on the prior year was principally due to a £13.0m increase in gift aid from subsidiary and a £3.5m increase in donations received in the year.

The charity received donations under gift aid totalling £30.0m (2018: £17.0m) from EIO plc. A strong underwriting result combined with favourable investment markets enabled EIO plc to make its largest annual donation to the Trust. The donations received from EIO plc remain our principal source of funding and are used to finance our regular charitable giving to dioceses and cathedrals and to finance the specific requests for charitable giving received from churches and charitable organisations.

The charity received donations totalling £5.0m (2018: £1.5m) from Methodist Insurance PLC, the company having achieved a record annual profit before tax. The trustees designated £4.5m of this donation for the furtherance of purposes or projects relating to the Methodist Church.

Dividend and interest income increased steadily in the year to £3.8m (2018: £3.3m), as the trustees continue to build the expendable endowment fund to diversify the charity's assets. Further information on the performance of the expendable endowment fund is included in the Investment Report on page 40.

Expenditure

Charitable giving increased in the year by 5.3% to £17.9m (2018: £16.9m). This includes £0.9m awarded through our Growing Lives thematic grants programme and £1.2m awarded through our transformational grants programme. An analysis of charitable giving is shown on pages 23-25 of this report and in note 6 to the charity financial statements.

Expenditure on other charitable activities of £0.8m was in line with the prior year (2018: £0.8m).

There was no significant change in activities in the year or to the date of this report.

Funds

Total net income in the year was £48.6m (2018: net expenditure of £11.8m). This comprises:

- net income of £34.9m (2018: net expenditure of £7.9m) in the unrestricted fund which includes an £18.2m fair value gain (2018: £8.9m fair value loss) on the value of the charity's investment in subsidiary undertakings; and
- net income of £13.7m (2018: net expenditure of £3.9m) in the expendable endowment fund as a result of a £10.4m increase in the fair value of investments (2018: £6.9m decrease in the fair value of investments).

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Net transfers of £10.0m (2018: £1.5m) were made from the unrestricted fund into the expendable endowment fund to further the Board's objective to diversify the charity's assets in order to help ensure the sustainability of its charitable giving.

Total funds in the charity at 31 December 2019 were £618.8m (2018: £570.2m) consisting of £509.4m in the unrestricted fund (2018: £484.5m) and £109.4m (2018: £85.7m) in the expendable endowment fund.

The unrestricted fund includes a revaluation reserve of £483.4m (2018: £465.1m) which represents the cumulative increase in the fair value of the charity's investment in subsidiary undertakings. The revaluation reserve is not available for charitable purposes.

During the year, the trustees designated £4.9m of the general unrestricted fund for Methodist projects. This was in addition to the designation of £4.5m of the grant received from Methodist Insurance PLC at the end of the year. Total designated funds at the year-end totalled £9.4m.

The charity continues to have adequate available resources to continue its charitable activities. The reserves policy of the charity can be found on page 41 and the going concern statement is on page 55.

Trading subsidiaries

The consolidated statement of financial activities is shown on page 78.

Net income

The principal activities of the charity's trading subsidiaries throughout and at the end of the year remain the provision of general insurance and a range of financial services in the United Kingdom and overseas. A list of these undertakings is given in note 46.

The trading subsidiaries reported net income of £64.5m (2018: net income of £15.1m) and have benefited from the more favourable investment markets in 2019. The general business insurance performance was in line with expectations and returned a profit of £19.8m¹ (2018: £29.2m¹). The UK and Ireland reported a favourable result on the liability account and solid outturn on the property account. As anticipated, the favourable releases on prior year technical provisions was significantly lower than in 2018. Our Australian subsidiary reported an underwriting loss on its property account, following the Townsville flood event, and on its liability account, which was adversely impacted by the strengthening of physical and sexual abuse (PSA) technical provisions. In Canada, the liability account was similarly impacted by strengthening of PSA technical provisions, but the property account performed well.

¹ This is the Ecclesiastical general business insurance result under UK Generally Accepted Accounting Practice (UKGAAP) which is the accounting basis under which the charity and consolidated accounts of the Trust are prepared. Ecclesiastical prepares its accounts under International Financial Reporting Standards (IFRS). A reconciliation of the IFRS result and shareholders' funds to UKGAAP is shown in notes 22(f) and 22(g).

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Overall, broking and advisory had modest growth in income but reported a loss before tax of £1.5m¹ (2018: £0.8m¹ loss before tax) primarily due to impairments of intangible assets during the year.

Fair value gains on the trading subsidiaries' financial assets contrasted with the losses in the prior year with both equities and bonds strengthening over the year. There remains, however, political and economic uncertainty which could impact on the future performance of these financial assets, as well as the consequences of disruption that the current Covid-19 pandemic can have on financial markets.

Details of the key performance indicators for EIO plc are found in the Strategic Report of its annual report and accounts. Copies of these accounts are available from the registered office, as shown on page 6, and are provided to members of the charity.

During the year, the trading subsidiaries directly distributed £2.5m (2018: £1.8m) for charitable purposes.

No fund or subsidiary was materially in deficit at the end of the year.

Consolidated funds

The consolidated balance sheet is shown on page 80.

At the year-end date, total group net assets were £721.9m (2018: £673.3m).

Group net assets include a net pension asset of £3.5m (2018: £12.1m). The charity's trading subsidiaries operate two defined benefit pension schemes, both of which are closed to new entrants. Following a consultation process, the trading subsidiaries' main scheme, operated by EIO plc, closed to future accrual with effect from 30 June 2019.

The reduction in the net pension asset during the year was primarily due to actuarial losses arising from changes in financial assumptions (£61.9m), partially offset by an above expectation investment return (£40.7m) and actuarial gains from changes in demographic assumptions (13.6m). A 0.8% fall in the discount rate accounted for the majority of the actuarial loss on financial assumptions. Further details relating to the trading subsidiaries' defined benefit pension schemes are included in note 41 to the consolidated financial statements.

Factors affecting future financial position and performance

The principal factor affecting the future position and performance of the charity is the performance of its trading subsidiaries, which are the principal source of funding for its charitable activities.

The charity is exposed, through the expendable endowment fund, to volatility in the financial markets and as for all businesses, is subject to the consequences of disruption that events such as Covid-19

¹ This is the Ecclesiastical broking and advisory result under UK Generally Accepted Accounting Practice (UKGAAP) which is the accounting basis under which the charity and consolidated accounts of the Trust are prepared. Ecclesiastical prepares its accounts under International Financial Reporting Standards (IFRS). A reconciliation of the IFRS result and shareholders' funds to UKGAAP is shown in notes 22(f) and 22(g).

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can have. This recent threat from Covid-19, has negatively impacted markets as global economies assess the consequences of the spread of the disease. The economic impact of the UK's withdrawal from the EU continues to be uncertain due to transitional arrangements being unresolved; and climate change brings with it transition risk. The trustees continue to monitor these risks, and have already adopted a 'carbon aware' approach in making investment decisions as explained on page 39. The trustees do not expect these issues to impact on their policy of diversifying the charity's assets. The charity continues to monitor the impact of Covid-19 on its operations.

The trading subsidiaries have prepared for potential outcomes arising from Brexit and appropriate action has been taken so that they continue to operate in a lawful manner, continuing to support their clients and business partners whatever the transition scenario.

The group, including its trading subsidiaries, are very conscious of fast-changing Covid-19 situation and have been focussing on employee welfare and providing service to all of their customers and beneficiaries. Contingency plans have been coordinated and implemented across all the countries operated within and almost all employees are working efficiently from home. Covid-19 can potentially impact the financial position of the group and its trading subsidiaries in a number of ways; in particular from the movements in financial markets. Given the evolving nature of the pandemic, it is not possible to accurately estimate all the impacts at this time. However, the capital position is not expected to be undermined and has continued to meet regulatory capital requirements despite significant falls in financial markets.

Details of the principal risks and uncertainties to which the charity is exposed are given on pages 42-45 of this report.

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Investments

The charity is the ultimate parent undertaking of Ecclesiastical Insurance Group plc, and full details of the charity's investments in related undertakings are disclosed in note 46.

The Trust's principal source of income is the grants it receives, as owner, from the Ecclesiastical Insurance group. The Board discusses regularly with Ecclesiastical the rate of return it expects on its investment and monitors performance over a rolling 5, 7 and 10 year period.

As explained on page 42 of this report, the charity has established an expendable endowment fund (EEF) to assist in diversifying its asset base to reduce the concentration risk arising from its ownership of a financial services group. Insurance is a risk business and the charity's income from its subsidiaries, in the form of gift aid, varies considerably over time. Gradually building the size of the EEF enables the charity to grow a separate, more stable, income stream, for the benefit of present and future generations.

The longer term aim of the Trust is to increase the proportion of its investments held in the EEF. During 2019, the EEF was invested through two investment fund managers: EdenTree Investment Management Limited (EdenTree) and Rathbones Investment Management Limited (Rathbones). The performance of the investment managers, as explained on page 40, was assessed against a benchmark over 1, 3, 5 and 10-year periods, dependent on the duration of their appointment.

During the current and prior year, PricewaterhouseCoopers (PwC) provided expert investment advice to the Finance and Investment Committee. However, PwC stepped down from this role at the end of the year, as they will be appointed as the Trust's Statutory Auditor for the financial year ending 31 December 2020. Owl Private Office LLP have been appointed as the new investment advisor with effect from 19 February 2020.

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The charity has agreed a number of KPIs, which demonstrate the diversification of its income, the financial strength of each of its assets, and the diversification underlying the profits made by the Ecclesiastical Insurance group whose activities have been deliberately widened over time:

	2019 £m	2018 £m	2017 £m
Diversification of income			
Donation received via gift aid from EIO plc	30.0	17.0	26.0
Dividend and interest income from the expendable endowment fund	3.7	3.3	2.4
Other donations received ¹	5.2	1.7	4.2
Financial strength of investments			
Shareholders' funds of EIG plc ²	520.2	502.0	507.5
Total funds in the expendable endowment fund	109.4	85.7	88.1
Reported profit before tax from EIG plc¹ arising from:			
Insurance business	20.4	30.8	27.4
Broking and Advisory	(2.2)	2.5	3.3
Investment management and investment return	69.2	(0.3)	68.7
Corporate costs and other	(17.5)	(16.6)	(14.9)
Total reported profit before tax	69.9	16.4	84.5

The charity continues to receive the majority of its income from EIO plc, with a donation of £30.0m (2018: £17.0m) in the year representing 77.1% (2018: 77.3%) of its total income. As the trustees continue to grow the EEF, it is providing an increasing alternative income stream for the charity, which is made available to fund charitable grants to beneficiaries.

Investment objective and policy

The principal investment objective in relation to the charity's expendable endowment fund is to maximise long-term investment returns through a diversified portfolio with an acceptable risk profile. The target asset weighting for invested funds in 2019 was:

Developed equities	0% - 60%
Emerging equities	0% - 20%
Fixed income securities (including cash)	10% - 30%
Property	0% - 15%

The Board regularly reviews the appropriateness of the investment strategy and set new investment criteria to enhance its ethical investment approach in 2019. The Board's principal obligation is to promote and protect the financial interests of the charity and of its beneficiaries. The expendable endowment fund's performance will normally be reviewed annually against an agreed benchmark. The performance of the fund against the benchmark for 2019 is explained on page 40.

¹ Other donations received includes donations from Methodist Insurance PLC and services donated by subsidiary undertakings. Further detail is provided in note 3 to the charity financial statements.

² The figures stated are as reported by EIG plc under IFRS. The Trust's consolidated accounts are prepared in accordance with UKGAAP. Notes 22(f) and 22(g) to the accounts present a reconciliation of IFRS to UKGAAP profit before tax and shareholders' funds.

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The trustees have adopted an absence of harm approach, and seek to avoid the Trust investing in companies whose activities may be inconsistent with the values of the Trust's beneficiaries or supporters. These have been determined as companies that are wholly or mainly involved in the manufacture or production of alcohol, gambling, pornographic and violent material, strategic weapons (including indiscriminate weaponry) and tobacco. In the case of indiscriminate weaponry, the Trust takes a 'nil exposure' approach.

In addition, the Investment Managers apply a positive engagement approach to the Trust's portfolios, actively seeking out companies that exhibit strong corporate citizenship and business ethics. The trustees support this 'responsible investment' approach, which recognises that companies cognisant of a wider responsibility to the environment, human and labour rights and the communities in which they operate, are more likely to deliver enhanced shareholder value over time and be less exposed to material non-financial risk. On behalf of the Trust, the Investment Managers will specifically seek to engage promoting action in three areas:

- Climate change;
- Human and labour rights, including Modern Slavery; and
- Financial inclusion and business ethics.

Climate change represents a material risk to the planet, people and society; it also represents a material business risk for the insurance industry and for the Trust. The trustees have adopted a 'carbon aware' approach in which the overall carbon profile and intensity of companies is taken into account when making investment decisions. The Investment Managers will also seek opportunities to invest in areas that are leading the transition to a low carbon economy where these also meet the Investment Managers' robust investment criteria. Companies with a material exposure to oil sands and Arctic drilling are excluded.

The trustees believe this provides an appropriate balance between ethical considerations and fiduciary responsibility. Social investment does not form a material part of the expendable endowment fund's investment activity. Any social investments must fully meet the financial and risk objectives and requirements of the fund.

Investment environment

Investment markets have continued to be volatile in 2019, impacted by political and economic challenges. Despite the uncertainties arising from Brexit negotiations that were ongoing for much of the year, the FTSE 100 rose 12.1% in the year, and the FTSE 250 by 25.0%, as markets responded favourably to the outcome of the general election in December 2019.

Sterling hit a low against the US dollar and Euro in late summer as uncertainty around Brexit peaked. However, as fears around a disorderly Brexit subsided, sterling strengthened in the final quarter of the year. The downside of this was to reduce the sterling-equivalent value of overseas dividends and dampen local currency gains.

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Investment performance

The expendable endowment fund amounted to £109.4m (2018: £85.7m) at 31 December 2019. The increase in the year was due to fair value gains of £10.4m and net transfers from the unrestricted fund totalling £10.0m.

During 2019, the investment portfolio, which consists of the expendable endowment fund investments (note 13) and cash at bank and in hand (note 15), was managed on behalf of the charity by EdenTree, a subsidiary of EIO plc, and Rathbones. EdenTree and Rathbones both operate in line with the investment policy set out on pages 38-39 and their performance is assessed against appropriate benchmarks.

Financial investments at the year-end totalled £97.7m (2018: £83.3m). £79.5m is invested with EdenTree consisting of a £64.8m 'directly invested' portfolio and £14.7m invested in EdenTree open-ended investment company ('OEIC's) funds. £18.2m is in a 'directly invested' portfolio managed by Rathbones. The un-invested cash in the investment portfolio at 31 December 2019 of £11.4m (2018: £2.1m) includes £10.5m transferred from the unrestricted fund at the year-end following receipt of the grants from EIO plc and Methodist Insurance PLC.

Investment income in the year was £3.7m (2018: £3.3m).

Over the year, the investment portfolio managed by EdenTree delivered a return of 16.5%, which was 1.1% behind its blended benchmark. EdenTree OEIC funds outperformed the benchmark, but this was more than offset by underperformance in the 'directly invested' portfolio, which was impacted by political and economic uncertainty. Domestically, UK equity performance was impacted by uncertainty surrounding Brexit. Globally, the Asian market was impacted by the trade tensions between the US and China; and European equities were impacted by currency weaknesses. Although the US market has outperformed its developed market peers, the portfolio was underexposed to this market. Over the longer-term, the 'directly invested' portfolio managed by EdenTree has outperformed its benchmark over 3, 5 and 10 years. Investments in the EdenTree OEICs, which have been held for less than ten years, have outperformed its benchmark over 3 years, but underperformed over 5 years.

The investment portfolio managed by Rathbones delivered a return of 16.0% over the year, which was 1.9% behind its blended benchmark. Performance of this portfolio was also negatively impacted by Brexit uncertainty and over-exposure to Asian and emerging markets, combined with an underexposure to the US market. As Rathbones commenced managing the charity's investments in 2018, benchmarking of its performance over the longer term is not applicable.

The Board and the Finance and Investment Committee, with its investment advisor, keep the performance of the investment portfolio under review. EdenTree and Rathbones report regularly to the Board and the Finance and Investment Committee.

Since the year end, the Covid-19 pandemic has caused global economic disruption. The charity's own investment portfolio is not immune to this market disruption and financial investments are estimated to be £86.7m (unaudited) at 31 March 2020 (2018: £97.7m).

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Reserves Policy

As the charity's principal income is derived from a cyclical industry, it is susceptible to variable levels of income. Reserves are held to ensure that the charitable giving activities of the charity can continue in the event of a reduction in income. The trustees have an approved reserves policy, which is reviewed at least annually.

In setting the reserves policy, the trustees have considered the potential volatility in income arising from market and concentration risks, the management of which is outlined in the principal risks and uncertainties section on pages 42-45.

The trustees have agreed that the minimum level of reserves held by the charity should be sufficient to cover one year's annual grants to dioceses, cathedrals and the Methodist Connexion and to ensure that the charity can be flexible in its response to grant applications. The trustees require the minimum reserves to be held in the form of cash. Designated funds are included in calculating the charity's minimum reserves. Target reserves at 31 December 2019 were £11.1m.

Where year-end reserves held are significantly in excess of the requirements outlined above, the trustees take corrective action to reduce the level of reserves held. This action may include, but is not limited to, any of the following:

- actively seeking to fund further projects that align with the charity's purposes;
- increasing the level of donations to existing beneficiaries in future periods; or
- transferring cash to the expendable endowment fund in line with the charity's strategic objective to diversify its assets.

The purpose of the expendable endowment fund and the charity's investment objectives and policy are outlined on pages 38-39.

Unrestricted and uncommitted reserves of the charity at the year-end were £26.0m, including cash of £26.1m. The excess of cash over the target level of £11.1m is due to £15.0m gift aid from EIO and £4.5m donation from Methodist Insurance PLC, both of which were received in the latter half of December 2019, being retained in the unrestricted fund. The trustees intend to invest further in the expendable endowment fund and explore opportunities for new grant programmes. The charity had no restricted funds at the year-end date.

The effects from the Covid-19 pandemic have brought a significant change to the economic environment since the year end, and the trustees recognise that the potential for a significant impact on the key investments of the charity could result in a reduction in the charity's income and ultimately its reserves. However, the year was started from a strong reserves position which is enabling the charity to keep existing grant programmes up and running. The first tranche of grants to dioceses and cathedrals have been brought forward by three months, and grants totalling £250,000 have been provided towards tackling food poverty caused by the coronavirus crisis. The trustees continue to closely monitor its response to the crisis, both in terms of providing flexibility in its grant funding, as well as monitoring its own reserves, with the ability to draw on the expendable endowment fund should the need arise.

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Principal risks and uncertainties

The major risks to which the charity is exposed are reviewed by the Board with the aid of external advisers. Due to the nature of certain risks it is not possible or cost-effective to mitigate fully all risks. Covid-19 is considered a new emerging risk and presents operational and market risks to the charity. These risks are being monitored and assessed and actions taken where appropriate. The principal risks identified are detailed below together with a summary of the key mitigants utilised.

Principal risks	Why they are important	How they are managed
<p>Investment risks The investment risks relate to underperformance of the investments of the charity which could adversely impact its ability to undertake charitable giving.</p>	<p>A key objective of the charity is to contribute to the funds of any charitable institutions, associations, funds or objects and to carry out any charitable purpose. Poor performance of the charity's investments would result in reduced funds available to fulfil this objective.</p> <p>The key investments of the charity continue to be Ecclesiastical Insurance Group and a expendable endowment fund.</p> <p>Ecclesiastical's business operations include the provision of specialist general insurance. This is historically volatile and therefore can result in a variable income stream. The principal risks associated with the Ecclesiastical business can be found within the Risk Management section of the EIO plc annual report and accounts which are available from the registered office, as shown on page 6.</p>	<p>The charity has established a Finance and Investment Committee to set the investment criteria and oversee the performance of the investment portfolio. The performance of the investments is reviewed regularly. Limits have been established for the range of investments held within the expendable endowment fund to ensure a diversified portfolio with an acceptable risk profile. The Board has also appointed two investment fund managers and an independent investment adviser who meet with the Chair of the Finance and Investment Committee on a regular basis. These appointments are regularly reviewed.</p> <p>A formal policy exists between the charity and Ecclesiastical which specifies how the level of the gift aid payment is determined and this is subject to regular review.</p> <p>Regular reporting is received from Ecclesiastical on its performance and one of the trustees acts as a 'common director' with the Trust's subsidiary, Ecclesiastical. In addition, there is a regular review of the performance of Ecclesiastical as an investment against external benchmarks.</p> <p>The reserves policy on page 41 details the charity's policy to maintain the stability of charitable giving to its regular beneficiaries. This policy is reviewed at least annually.</p> <p><i>The economic environment experienced a number of political and economic challenges during the year. This is closely monitored and assessed by the trustees, Investment Managers and advisers to determine the appropriate action to be taken.</i></p> <p><i>Since 2019 year end there have been significant changes in the economic environment due to the Covid-19 pandemic. There is the potential for significant impacts on the key investments of the charity which could result in a reduction in income and funds held.</i></p>

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Principal risks	Why they are important	How they are managed
Concentration risk The risk of detriment to the charity as a result of overexposure to the primary source of funding and capital.	The charity continues to derive the majority of its income from its investment in Ecclesiastical. This results in a reliance on the ongoing performance of Ecclesiastical to enable the charity to continue to deliver its objectives. The income may be subject to volatility depending on the performance of Ecclesiastical.	<p>The charity formally sets out its expectations of Ecclesiastical. This is reviewed regularly and there is ongoing monitoring of the performance against these expectations.</p> <p>The charity regularly reviews its strategy and diversification needs to ensure the level of this risk remains acceptable.</p> <p>The charity has continued to increase the expendable endowment fund to provide greater diversification of the charity's assets. It is planned to continue to increase this fund.</p> <p>During the year, EIG has further diversified its portfolio by the acquisition of additional broking businesses.</p> <p><i>The level of this risk has not materially altered during the year. Actions are underway to gradually increase the size of the charity's expendable endowment fund, which will ultimately reduce this risk over the longer term.</i></p>
Counterparty risk The risk that a counterparty fails to perform its financial obligations to the charity or does not perform them in a timely manner resulting in a loss.	The Trust's unrestricted fund holds a significant amount of cash, partly due to its Reserves Policy, but also as a consequence of the gift aid received from Ecclesiastical. Holding significant levels of cash exposes the Trust to the risk of financial loss arising from counterparty default.	<p>Multiple banking groups are utilised to ensure a spread of counterparties. Limits have been established in respect of single counterparties and these are reviewed by the Finance and Investment Committee on a regular basis.</p> <p><i>This was added to the risk register in 2019 as the trustees consider this to be a material risk.</i></p>

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Principal risks	Why they are important	How they are managed
Regulatory risk The risk of public censure or regulatory intervention as a consequence of failing to comply with relevant legislation, policies etc ultimately leading to loss of public confidence in the Trust's charitable status.	As a charity, the activities of the Trust are subject to a wide range of legislation which must be complied with. Regulatory and legislative developments must be closely monitored on an ongoing basis and acted upon in a timely manner. There could be significant financial and reputational implications if relevant changes are not identified, assessed and complied with in a timely manner.	<p>The charity has a dedicated resource to provide regular updates on relevant legislative or regulatory items to the Board and there is a regular formal training programme for all trustees. External expertise, including through the Trust's solicitors and auditor, is also utilised where required.</p> <p><i>The level of this risk has remained unchanged over the course of the year.</i></p>
Reputational risk The risk of damage to the reputation of the Trust in the eyes of its stakeholders and the broader community through the actions of any people associated with the Trust and its investments or from sectoral scandals resulting in a loss of confidence from the people and groups that the Trust is looking to assist.	The reputation of the Trust is critical to enable it to continue to fulfil its stated objectives. Damage to its reputation may lead to a significantly reduced number applying to the Trust for grants and limit the reach of the Trust and the effectiveness of its strategies.	<p>Reputational risk is continually monitored by the Trust and regular updates are provided to the Board through the reporting provided at its meetings.</p> <p>The principal asset insures church and charitable organisations, including providing public liability insurance related to clergy abuse claims. The charity pays close attention to the work of the Independent Inquiry into Child Sexual Abuse (IICSA).</p> <p>The charity has a dedicated Communications and Marketing Manager and is able to access specialist external PR and legal advisors to ensure that any potential issues are managed appropriately.</p> <p><i>At an overall level this risk is unchanged from last year however this is closely monitored due to the importance of the reputation of the Trust to its ongoing operation and to determine any reputational impacts arising from the ownership of Ecclesiastical Insurance Group.</i></p>

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Principal risks	Why they are important	How they are managed
<p>Strategy risk This is the potential for failing to, or being unable to, formulate and/or deliver an appropriate strategy, resulting in a failure to achieve the charity's objectives which are detailed on pages 10-11 of this report.</p>	<p>The charity has a number of strategies which are considered to be appropriate to ensure the achievement of its aims and objectives. These strategies also address a number of the risks detailed within this section. The strategies ensure that the charity is best placed to achieve the stated objectives.</p>	<p>The charity regularly reviews the effectiveness of the various strategies employed and whether any changes are required. Advice is also sought from external parties as part of this process.</p> <p>An annual review of board composition, skills and processes is undertaken to ensure their ongoing appropriateness and to identify any areas for improvement.</p> <p><i>This risk is impacted by the Covid-19 outbreak and the potential for a reduction in income as detailed above under Investment risks.</i></p>
<p>Operational risks This is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. This includes business continuity events, financial crime, information security breaches and third party failure which could result in a failure to meet the charity's objectives (full details of which are on pages 10-11 of this report).</p>	<p>Operational risk is inherent in the activities of the Trust and can be managed but not fully eliminated. The Board sets the operational policies to be adhered to by staff and other people involved in the operation of the charity with the intention of ensuring that the charity's objectives are met.</p>	<p>The operational risks are managed through a robust control framework to ensure effective management. This includes ongoing training and induction processes for the charity's trustees and staff and also those who provide arm's length support services to the charity.</p> <p>Business Continuity plans are in place and are subject to regular review.</p> <p>The agreements in place with relevant third parties are regularly reviewed and updated to reflect the changing environment.</p> <p><i>This risk has changed since 2019 year end due to the Covid-19 outbreak. The business continuity plans have ensured the continued operation of the Charity and have minimised the operational impact to date.</i></p>

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Section 172 Statement

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the Directors' statement required under section 414CZA, of the Companies Act 2006.

The Directors recognise that the long-term success of the Company is dependent on having regard to the interests of its stakeholders. As a registered charity, the Directors' responsibility also extends to ensuring that the affairs and objectives of the Company are managed in a way that enhances public trust and support. The Board has identified and documented its stakeholders in the Company's Governance Framework and Board Charter. Key stakeholders include its members, beneficiaries and other Christian funders, its trading subsidiary (Ecclesiastical Insurance Office ("EIO")), staff (seconded from EIO), suppliers, wider community and environment, and Regulators.

The Board recognises the importance of engaging with stakeholders, understanding their views and interests in order to be successful over the long-term. Dialogue with stakeholders can help the Board to understand significant changes in the landscape, predict future developments and trends, and develop strategy that is aligned with stakeholder interests.

Members

Allchurches Trust Limited ("Allchurches Trust") is a private company limited by guarantee and has a maximum of 50 registered members. The interests of the Company and its members are aligned with the common purpose of carrying out the objects of the Company. This ensures that the views of beneficiaries and the wider Christian and charitable community are communicated to the Board as a whole and considered.

There are open channels of communication between the Company and its members. The Company holds an Annual General Meeting ("AGM") and luncheon to which members are invited to attend.

Beneficiaries

Allchurches Trust is a grant-giving charity and uses the income it receives from its subsidiary, EIG, to donate to eligible beneficiaries. Key beneficiaries include The Church of England; The Methodist Church; The Baptist Church; The Church of Ireland; The Episcopal Church in Scotland; The Church in Wales; as well as other faith, heritage, charitable and educational institutions. There are at least two Directors appointed to the Board who are representative of the Company's beneficiary base. This ensures that the views of beneficiaries are communicated to the Board as a whole and considered. There is a Conflicts of Interest policy in place to manage any actual and perceived conflicts that might arise.

The Board regularly reviews its grant-giving policies and actively engages with its beneficiaries, both informally and formally, in order to understand the impact of its charitable activities and the interests of its beneficiaries. In 2019 the Board established a new Grants Committee with the responsibility for overseeing and advising the Board on the further development of the Company's grant-giving strategy, taking into account the interests of its beneficiaries. A select number of beneficiaries are also invited to attend the AGM to provide feedback and share their insights with

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the members and Directors. Other forms of engagement include regular meetings and communications with beneficiaries across a range of sectors; attendance at Christian and heritage forums and events; presentations at seminars; invitations to potential beneficiaries to attend Board meetings to discuss applications being made to the Trust; online surveys to establish need within beneficiary groups; social media channels; publications/reports; signposting to tools and guidance on the website including a resource hub to assist charities in a variety of matters including measuring their own impact, applying for grants, publicity etc.

Ecclesiastical Insurance Group (“EIG”)

The Company is the ultimate owner of EIG, with whom the Board maintains an open and constructive relationship. The Company has no direct employees but uses the services of EIG’s employees under the terms of its Secondment Agreement with EIG. There is at least one “Common Director” who is on the Board of the Company and EIG. This enables the Board to receive regular updates and maintain oversight of its subsidiary. There is also regular engagement between the Board Chairman and the EIG Chief Executive Officer (Group CEO), with the Group CEO also providing updates to the Board at every Board meeting.

Protocols are in place for the exchange of information between the Company and EIG. A Conflict of Interest policy is also in place which sets out how actual and perceived conflicts of interests between the two companies are managed.

Staff

The charity itself has no employees but uses staff employed by a subsidiary undertaking, EIO, to undertake its charitable activities. EIO uses a variety of methods to engage with its employees and these are described in its section 172 statement contained within the EIO plc annual report and accounts which are available from the registered office, as shown on page 6. In addition, for those staff seconded to the Company, they all have access and regular contact with the Chairman and the wider Board.

Suppliers

The Company does not have a supply chain itself, but uses the services of EIG under the terms of its Shared Services agreement. The Company recognises its responsibility and that of its subsidiary to ensure business activities are undertaken in accordance with regulatory requirements and best practice. The Board and its Audit and Risk Committee therefore receive regular updates on the performance of its subsidiary.

Wider Community and Environment

The Board is focused on its long-term and strategic charitable giving. A key aim of its grant-giving is to assist areas in greatest need. During 2019 the Board implemented the restructuring of its grant programmes as a result of its grant-giving review undertaken in 2018. This includes a new Thematic Grants Programme which seeks to support churches and community facilities for use by young people and children, and a Heritage Grants Programme which supports traditional craft and heritage skills.

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Regulators

The Board recognises the importance of open and honest dialogue with Regulators. As a registered charity, Allchurches Trust is regulated by the Charity Commission. The Board receive regular updates on legal, regulatory and compliance matters.

The Strategic Report of Allchurches Trust Limited was approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Tim Carroll', written in a cursive style.

Tim Carroll
Chairman
11 May 2020

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Trustees' Report

(incorporating the Directors' Report for the year ended 31 December 2019)

The trustees, who are the directors of the charitable company for Companies Act purposes, are pleased to present their annual report and review together with the audited financial statements of the charity and the group for the year ended 31 December 2019. In this report they are referred to as the trustees or, collectively, as the Board.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, 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) (effective 1 January 2019).

Structure, Governance and Management

Corporate Governance

The trustees are committed to applying the highest standards of corporate governance and believe that the affairs of the charity should be conducted in accordance with best practice. The charity has therefore comprehensively reviewed its procedures in the light of the Charity Governance Code ('the Code') and has confirmed that it is fully compliant with the Code.

Governing document

Allchurches Trust Limited was incorporated in 1972 in England and Wales. It is a company limited by guarantee not having a share capital and is a registered charity.

The governing documents are the articles of association.

In accordance with the articles of association, the company in a general meeting may admit any person to membership provided the total number of members does not exceed 50. In the event of the company being wound up, the liability of each of the members is limited to £1. A member has the ability to affect the governance of the charity by voting at its annual general meeting (including on the election, re-election and removal of trustees and on any changes to the charity's articles of association) and thereby influencing the way the charity is run. Members are also responsible for receiving and adopting the charity's report and accounts; voting on the appointment or removal of external auditors; and voting on any changes to the charity's name or articles of association.

Allchurches Trust Limited

Organisation

The body responsible for the management, actions and decisions of the charity is the Board of trustees. The Board meets at least five times a year.

The Board seeks to ensure that all activities comply with UK law and regulatory guidance, and come within agreed charitable objectives. Its work includes setting the strategic direction of the charity, developing its objectives and policies, reviewing the performance of trading subsidiaries and delivering the outcomes for which the charity was established.

The Board has established a Finance and Investment Committee, an Audit and Risk Committee, a Nominations Committee, a Grants Committee and a Methodist Grants-Giving Committee.

On 1 January 2019, the Investment Committee broadened its remit to include finance matters and was renamed as a Finance and Investment Committee. The Finance and Investment Committee has three scheduled meetings a year and primarily oversees the charity's investment strategy, including the performance of its expendable endowment fund and the charity's financial affairs.

The Audit and Risk Committee has four scheduled meetings a year. It is responsible for the appropriateness of the charity's financial reporting, the rigour of the external audit processes and the effectiveness of the risk management framework. During the year, the Committee carried out a formal tendering process for the position of Statutory Auditor. As a result, the Committee recommended to the Board that PricewaterhouseCoopers be appointed as Statutory Auditor for the financial year ending 31 December 2020. The Board subsequently approved the proposed appointment. A resolution to approve the appointment will be put to members at the annual general meeting. The Committee would like to thank Deloitte LLP for the audit service they have provided to the group over the past 22 years.

The Nominations Committee has two scheduled meetings a year. Its remit includes reviewing the structure, size, composition and effectiveness of the Board and its committees; overseeing the recruitment and induction of new trustees and the professional development of all the existing trustees; and considering succession planning and the membership needs of the charity.

The Grants Committee was established in 2019 and has four scheduled meetings a year. It is responsible for overseeing and advising the Board on the further development of the Trust's grant-giving strategy, processes and other arrangements.

The Methodist Grant-Giving Committee considers applications from and grants to Methodist beneficiaries. It meets three times a year. The Methodist Grant-Giving Committee comprises four members and includes representatives from the Methodist faith. The Committee is chaired by Revd Linda Barriball. Its other members are Mr Stephen Hudson, Revd Paul Davies and Mr David Crompton.

The day-to-day management of the charity is undertaken by its senior executive staff and the Company Secretary.

Allchurches Trust Limited

Board procedures have been established setting out a framework for the conduct of trustees, with clear guidelines as to the handling of any conflicts of interest and the standard of behaviour, responsibilities, and best practice expected of them in fulfilling their obligations to the charity.

Trustees are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role. No trustee sought independent professional advice in the current or prior year. Trustee remuneration and expenses are disclosed in notes 11 and 29 to the accounts.

Appointments to the Board

The Board aims to have a diverse group of trustees, with a balance of necessary skills and experience, which is broadly representative of the communities it serves. Dialogue with stakeholders that the charity serves takes place in identifying potential candidates for the Board. All appointments to the Board are made on merit and to fulfil a specific function or need. The Board will advertise and engage external search consultants as appropriate.

In accordance with the articles of association, the Board may at any time appoint any person to be a trustee either to fill a casual vacancy or in addition to the existing trustees. Any such person appointed must retire at the following annual general meeting and will be eligible for election by the members. In certain circumstances, the articles of association permit a member to propose a trustee for election in general meetings.

The names of the trustees of the charity at the date of this report are stated on page 6.

Mr Chris Moulder and Mr David Walton were both appointed as directors on 10 May 2019. Mr Walton resigned as a Trustee on 6 November 2019 due to personal reasons. Sir Stephen Lamport was appointed as a director on 5 March 2020, and Revd Paul Davis on 29 March 2020.

In accordance with the succession plan, Sir Philip Mawer resigned as Chairman and trustee on 31 December 2019 after nine years distinguished service to the charity.

Mr Tim Carroll and Mr Stephen Hudson will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Sir Stephen Lamport and Revd Paul Davis, trustees appointed during 2020, will seek election at the forthcoming annual general meeting.

The trustees are covered by qualifying third-party indemnity provisions which were in place throughout the year and remain in force at the date of this report.

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Board Diversity

The primary responsibility of the trustees is to conduct the affairs of the Trust in a manner which best enables the Trust to fulfil its charitable objectives. Appointments to the Board of the Trust are made - on merit and against objective criteria – which will best enable the trustees to discharge that responsibility.

The trustees recognise the benefits of having a diverse Board. They believe that recognising and encouraging diversity, including in respect of gender, is essential to strengthening the charity's ability to meet its objectives.

The Board has already taken steps over the last few years to increase the degree of diversity on the Board.

In the context of ensuring it meets its trustee responsibilities, the Board will take the opportunity, as and when appropriate, to further improve diversity in its broadest sense (including ethnicity, the possession of requisite skills, regional and industry experience, background, age, denominational membership, gender and other distinctions) as part of its board recruitment practice.

In particular by 2020, the Trust would like to meet the following objectives in terms of diversity:

- Meet the 2020 targets set out in the Hampton-Alexander Review, being 33% of women on boards;
- Include at least one trustee from an ethnic minority background as recommended by the Parker Review;
- Include at least two trustees who are from the Northern Province of the C of E; and
- Include two trustees who are members of denominations other than the C of E.

As at the date of this report, the Board has met all of these objectives. The Nominations Committee will continue to focus on these objectives during 2020.

Trustees' induction and training

All trustees are required to undertake a formal and comprehensive induction to the charity and its trading subsidiaries upon joining the Board. The induction is a two-stage process and is primarily undertaken by the Secretariat.

On acceptance of a position on the Board, all trustees receive an induction pack, which includes their appointment letter and terms; latest audited report and accounts; constitutional documents; protocols on conflicts of interest, the handling of price-sensitive information, governance framework and board procedures, directors' and trustees' duties; board minutes for the current and past year; and board dates and contact details.

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After appointment, a one-day induction programme is provided where presentations are given by the Grants Team, Secretariat, Finance, Group Risk and Group Strategy functions, and heads of the trading subsidiaries. The programme is also offered to other trustees as a refresher every two years and when a programme is being run. New trustees also meet individually with the Chairman, Senior Independent Director and each of the Executive Directors of the main trading subsidiary, EIO plc.

In addition, all trustees participate in a continuing professional development programme.

Board Evaluation

In 2018, the Board undertook its first external evaluation of the Board and Committees, assisted by the Company Secretariat. An external board evaluator provider, ICSA Services Limited, which is not connected with the Trust, conducted the evaluation. All Board and Committee members met with the evaluator and completed a bespoke assessment. The outcome of the evaluation was considered by the Board at its meeting in December 2018. The Nominations Committee monitored the implementation of the recommendations arising from the review, which were all satisfactorily completed by the end of 2019. It is the Board's policy for its work to be evaluated annually, with the next external evaluation expected to be undertaken at the end of 2021.

All trustees receive an annual review with the Chairman. The Chairman is appraised by the Board, in his absence, led by the Deputy Chairman.

Related parties

Related parties of the charity include its subsidiary undertakings. A full list of the charity's related undertakings is disclosed in note 46 to the financial statements. All subsidiaries listed are included in the consolidated financial statements.

Where it is sensible and appropriate to do so in terms of efficiency and the prudent use of resources, the charity uses facilities and services provided by EIO plc for administrative support. Some of the services provided are donated by EIO plc and others are recharged.

None of the trustees receives any remuneration or other benefit from their work with the charity. Details of remuneration received by trustees in their capacity as non-executive directors of subsidiary undertakings is disclosed in note 29.

A conflicts register is maintained by the Company Secretary to monitor and manage any potential conflicts of interest. Training on the Companies Act 2006 and Charities Act 2011 has been given to all trustees and they are regularly reminded of their duties. Any conflicts are declared at the first board meeting at which the trustee becomes aware of the potential conflict and are then recorded in the conflicts register. The Board considers all conflicts in line with the provisions set out in the Company's articles. The trustees are required to review their interests recorded in the conflicts register twice a year.

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Remuneration policy

The day-to-day management of the charity is undertaken by its senior executive staff and the Company Secretary, who, with the trustees, are the charity's key management personnel.

Remuneration of key management personnel is disclosed in note 12 to the financial statements.

All trustees give their time freely and no remuneration was received by any trustee in the year. The articles of association include a power to pay a chairperson but no such fee has been paid to date. Details of trustees' expenses are disclosed in note 11 to the financial statements.

The charity itself has no employees, but uses staff employed by a subsidiary company to undertake its charitable activities. These employee costs are recharged to the charity. The remuneration policy for the group can be found in the Group Remuneration Report of the EIO plc annual report and accounts which are available from the registered office, as shown on page 6.

Charitable giving policy

The Board regularly reviews its charitable giving policy to ensure it reflects the changing circumstances of the charity, its strategic direction, its objects and its beneficiaries' needs, and thereby advances public benefit. A copy of the Trust's charitable giving policy can be found on the home page of our website.

During 2019, applications in respect of individual projects with a total value in excess of £0.5m were referred to the Board for consideration. These applications were subject to initial appraisal by the Chairman and grants officers. Consideration of applications relating to individual projects of up to £0.5m was delegated by the Board to the Chairman and a grants officer. All charitable giving made under this delegated authority was disclosed to the Board at its next meeting.

During 2017 and 2018, the Board undertook a strategic review of its grant making. The grant programmes that were available from 1 January 2019 are shown on pages 13-14.

Under the new programmes, all applications for grants will be decided by the Board with the exception of grants made under the small grants programme, responsibility for which is delegated by the Board, via the Grants Committee, to the Chairman and a grants officer, and also grants made under the Growing Lives programme, responsibility for which is delegated by the Board to the Grants Committee. All charitable giving made under this delegated authority will continue to be disclosed to the Board at its next meeting.

Consideration of applications which seek to promote the mission and ministry of the Methodist Church in Great Britain and the Methodist Church in Ireland is largely delegated by the Board to the Methodist Grant-Giving Committee. All charitable giving made under this delegated authority is disclosed to the Board at its next meeting.

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Charitable giving by subsidiaries

The trading subsidiaries of the charity have an organised programme of direct community investment independent of the charity, which is managed centrally by Ecclesiastical's Group Corporate Responsibility team and at business unit level by local management. Through this programme they seek to fulfil their position as responsible businesses, to build and support their customers and brand, and to engage their people. It operates in two key ways: supporting projects and partnerships important to customers and communities; and providing charitable support for employees to give to causes close to their hearts.

Political donations

As a charity, the Trust is not permitted to make political donations. It is the policy of the charity's main trading subsidiaries not to make political donations.

Going concern

A review of the financial position and performance of the charity and its trading subsidiaries has been outlined in the Strategic Report on pages 33-37 together with a description of the principal risks and uncertainties faced by the charity on pages 42-45.

The charity has considerable financial resources. The unrestricted fund has cash at bank and in hand of £26.1m, cash deposits with original maturities of more than three months of £2.0m and no borrowings (2018: cash at bank and in hand of £20.2m, cash deposits with original maturities of more than three months of £2.0m and no borrowings). The expendable endowment fund has financial investments of £97.7m, 100% of which are liquid (2018: financial investments of £83.3m, 100% of which are liquid).

The charity, together with its trading subsidiaries, has considerable financial resources and is well placed to withstand significant market disruption. At 31 December 2019 the unrestricted fund had investments of £874.8m, 89% of which are liquid (2018: investments of £808.3m, 91% liquid); cash at bank and in hand of £124.5m and no borrowings (2018: cash at bank and in hand of £154.4m and no borrowings). These liquid assets are significantly in excess of total current liabilities at 31 December 2019 of £125.1m (2018: £115.0m).

In light of the current uncertainty regarding the impact of Covid-19, the group has considered its capital position, liquidity and the impact on performance. The trading subsidiaries have strong levels of cash and other liquid resources and have no concerns over the ability to meet their cash commitments over the three year planning horizon. The trading subsidiaries continue to expect to meet regulatory requirements and have responded to any enquiries that regulators have asked regarding management's assessment of the impact of Covid-19 on solvency and operational matters. Covid-19 has impacted how the businesses operate. The well-established business continuity plans have been used which have ensured our employees are equipped to work in a remote environment and are able to continue to support our customers, work with our key suppliers and perform other functions of the group. Whilst making some of these short term changes to the way the group

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operate has caused some level of disruption, the businesses have continued to deliver services and expect to continue to do so over the foreseeable future. Given the group's operations, robust capital strength, liquidity and in conjunction with forecast projections, the trustees have a reasonable expectation that the group is well placed to manage its business risks successfully and continue in operational existence for at least 12 months from the date of this report.

Accordingly, the trustees continue to adopt the going concern basis in preparing the annual report and accounts.

Trustees' Responsibilities Statement

The trustees (who are also directors of Allchurches Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Auditor and the disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that PwC LLP be appointed as auditor of the charity will be put to the annual general meeting.

Equality and diversity

The charity and its trading subsidiaries are committed to the principle and practice of equal opportunity in employment for all employees of group undertakings, applicants for employment and board membership.

The group recognises the importance of employee communication and aims to keep employees informed about its affairs through the use of briefing groups, group newsletters and the annual publication of financial reports. Regular meetings are held between management and employees and discussion is encouraged. It is the group's policy to give full consideration to applications for employment by disabled persons. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

The Trustees' Report of Allchurches Trust Limited was approved by the Board and signed on its behalf by



Tim Carroll

Chairman

11 May 2020

Allchurches Trust Limited

Independent auditor's report to the members of Allchurches Trust Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Allchurches Trust Limited (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group and parent charitable company statements of financial activities (incorporating income and expenditure account);
- the group and parent charitable company balance sheets;
- the group and parent charitable statement of cash flows;
- the related notes 1 to 49.

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).

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 group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and

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our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) 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 group's and the parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

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Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Reza Motazed FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
12 May 2020

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2019

	Notes	2019			2018		
		Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income and endowments from:							
Donations	3	5,184	-	5,184	1,652	-	1,652
Investments							
<i>Gift aid from subsidiary</i>		30,000	-	30,000	17,000	-	17,000
<i>Dividend and interest income</i>	4	87	3,704	3,791	43	3,297	3,340
Total income		35,271	3,704	38,975	18,695	3,297	21,992
Expenditure on:							
Raising funds	5	-	(332)	(332)	-	(307)	(307)
Charitable activities							
<i>Charitable giving - grants</i>	6	(17,850)	-	(17,850)	(16,944)	-	(16,944)
<i>Other expenditure on charitable activities</i>	7	(759)	-	(759)	(764)	-	(764)
Total expenditure		(18,609)	(332)	(18,941)	(17,708)	(307)	(18,015)
Net gains/(losses) on investments	8	18,247	10,366	28,613	(8,882)	(6,896)	(15,778)
Taxation	9	-	(65)	(65)	-	(43)	(43)
Net income/(expenditure) in the year		34,909	13,673	48,582	(7,895)	(3,949)	(11,844)
Transfers between funds							
Gross transfers to the endowment fund	17	(13,500)	13,500	-	(5,000)	5,000	-
Gross transfers to the unrestricted fund	17	3,457	(3,457)	-	3,490	(3,490)	-
Net movement in funds		24,866	23,716	48,582	(9,405)	(2,439)	(11,844)
Total funds brought forward		484,501	85,706	570,207	493,906	88,145	582,051
Total funds carried forward		509,367	109,422	618,789	484,501	85,706	570,207

The accompanying notes on pages 64 to 77 are an integral part of this charity statement of financial activities. All income relates to continuing operations. The charity had no other recognised gains or losses during the current or prior year other than those included in the charity statement of financial activities.

CHARITY BALANCE SHEET

at 31 December 2019

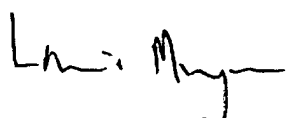
	Notes	Unrestricted funds £000	2019 Endowment funds £000	Total funds £000	2018 Total funds £000
Fixed assets					
Investments	13	483,403	97,725	581,128	548,469
Total fixed assets		483,403	97,725	581,128	548,469
Current assets					
Debtors	14	24	291	315	304
Investments	13	2,024	-	2,024	2,008
Cash at bank and in hand	15	26,120	11,407	37,527	22,352
Total current assets		28,168	11,698	39,866	24,664
Liabilities					
Creditors: amounts falling due within one year	16	(1,540)	(1)	(1,541)	(2,110)
Net current assets		26,628	11,697	38,325	22,554
Total assets less current liabilities		510,031	109,422	619,453	571,023
Creditors: amounts falling due after one year	16	(664)	-	(664)	(816)
Total net assets		509,367	109,422	618,789	570,207
The funds of the charity:					
General unrestricted funds	17	16,635	-	16,635	19,395
Designated unrestricted funds	17	9,379	-	9,379	-
		26,014	-	26,014	19,395
Endowment funds	17	-	109,422	109,422	85,706
Revaluation reserve	17	483,353	-	483,353	465,106
Total unrestricted funds		509,367	109,422	618,789	570,207
Total funds		509,367	109,422	618,789	570,207

The analysis of the prior year comparatives by fund is included in the related notes on pages 74 to 76.

The financial statements of Allchurches Trust Limited, registration number 1043742, on pages 61 to 77 were approved and authorised for issue by the Board on 11 May 2020 and signed on its behalf by:



Tim Carroll
Chairman



Sir Laurie Magnus
Trustee

CHARITY STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	2019 £000	2018 £000
Net income/(expenditure) for the reporting period	48,582	(11,844)
Adjustments for:		
(Gains)/losses on investments	(28,613)	15,778
Dividend and interest income from investments	(3,791)	(3,340)
Decrease/(increase) in debtors	1	(1)
(Decrease)/increase in creditors	(722)	947
Taxation paid	65	43
Net cash provided by operating activities	15,522	1,583
Cash flows from investing activities:		
Dividend and interest income from investments	3,701	3,276
Proceeds from the sale of investments	11,256	20,587
Purchase of investments	(15,318)	(44,179)
Net cash used in investing activities	(361)	(20,316)
Change in cash and cash equivalents in the reporting period	15,161	(18,733)
Analysis of changes in net debt		
Cash and cash equivalents at the beginning of the reporting period	22,352	41,079
Change in cash and cash equivalents in the reporting period	15,161	(18,733)
Change in cash and cash equivalents due to exchange rate movements	14	6
Cash and cash equivalents at the end of the reporting period	37,527	22,352

NOTES TO THE CHARITY FINANCIAL STATEMENTS

1 Accounting policies for charity parent only

Allchurches Trust Limited is incorporated in England and Wales. It is a company limited by guarantee and a registered charity. The principal accounting policies adopted in preparing the charity financial statements are set out below.

Basis of preparation

The financial statements of the charity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP); Financial Reporting Standard 102 (FRS 102); and the Companies Act 2006 (the Act). The historical cost convention has been applied, modified to include certain items at fair value.

The charity meets the definition of a public benefit entity under FRS 102.

A review of the financial position and performance of the charity and its trading subsidiaries has been outlined in the Strategic Report on pages 33-37, together with a description of the principal risks and uncertainties faced by the charity on pages 42-45.

The charity has considerable financial resources: the unrestricted fund has cash at bank and in hand of £26.1m, cash deposits with original maturities of more than three months of £2.0m and no borrowings (2018: cash at bank and in hand of £20.2m, cash deposits with original maturities of more than three months of £2.0m and no borrowings). The expendable endowment fund has financial investments of £97.7m, 100% of which are liquid (2018: financial investments of £83.3m, 100% of which are liquid). The charity's subsidiaries have considerable financial resources which are sufficient to meet their own financial obligations as outlined in consideration of the going concern status of the group in note 20. As a consequence, the trustees have a reasonable expectation that the charity is well placed to manage its business risks successfully and continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts of the charity.

The charity financial statements are stated in sterling, which is the charity's functional and presentational currency.

Fund structure

Unrestricted funds of the charity consist of general funds and designated funds. General funds are available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities adopted by the charity as set out in the Strategic Report on pages 10-11. Designated funds are unrestricted funds that have been set aside by the trustees for a particular purpose, as set out in note 17. Endowment funds are expendable endowments that are retained to strengthen the charity's reserves. The trustees have the power to convert endowment funds to expendable income. The charity has no restricted funds.

Income

Donations and gift aid

Donations and gift aid are recognised on an accruals basis at the point at which it is probable that the charity will receive the income and the amount receivable can be reliably measured.

Donated services

Donated services are an estimate of the fair value of management and administration costs incurred by subsidiary undertakings on behalf of the charity but not recharged. They are recognised on an accruals basis. An equal amount is included in expenditure on charitable activities.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Dividend and interest income

Dividends on equity securities are recognised on the ex-dividend date. Interest is recognised as it accrues. Dividends from overseas equities are grossed-up for the irrecoverable withholding tax suffered.

Unrealised gains and losses are calculated as the difference between carrying value and the original cost, and the movement during the year is recognised in the statement of financial activities. The value of realised gains and losses includes an adjustment for previously recognised gains or losses on investments disposed of in the accounting period.

Expenditure

Charitable giving

Charitable giving consists of grants approved by the Board in the year, net of returned grant payments and grant offers withdrawn. Charitable giving is recognised once approved for payment by the Board. Returned grants are recognised when received. Withdrawn grants are recognised when the Board communicates the withdrawal of the grant offer. Charitable giving which is contingent upon the satisfaction of certain conditions is not recognised in the financial statements until those conditions have been satisfied. Contingent charitable giving is not material to the financial statements.

Expenditure is classified under the following headings in the statement of financial activities:

- Raising funds' comprises the investment management fees incurred by the expendable endowment fund.
- 'Charitable activities' include charitable giving, shared costs (in respect of grants officers) and support costs (such as governance, finance and IT costs) including donated services. The bases for allocating costs to the specific activities are disclosed in note 7.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Taxation

Allchurches Trust Limited is a UK registered charity and is therefore exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. Irrecoverable tax withheld from overseas dividend income in the expendable endowment fund is recognised when the dividend is received.

Transfers between funds

Transfers between the unrestricted fund and expendable endowment fund are authorised by the Board, and are recognised when the cash is transferred.

Financial instruments

As permitted by FRS 102, the charity has chosen to account for its financial instruments using the recognition and measurement provisions of IAS 39, *Financial Instruments: Recognition and Measurement* as adopted for use in the European Union and the disclosure requirements of section 11 and 12 of FRS 102.

IAS 39 requires certain financial assets and liabilities to be classified into separate categories, for which the accounting treatments differ.

The classification depends on the nature and purpose of the financial assets and liabilities, and is determined at the time of initial recognition. Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:

- Financial instruments designated at fair value and those held for trading are subsequently carried at fair value. Changes in fair value are included in the statement of financial activities in the period in which they arise.
- All other financial assets and liabilities are held at amortised cost, using the effective interest method (except for short term debtors and creditors when the recognition of interest would be immaterial).

The trustees consider that the carrying value of those financial assets and liabilities not carried at fair value in the financial statements approximates to their fair value.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Investments

Financial assets at fair value

Investments are classified into this category if they are managed, and their performance evaluated, on a fair value basis. Purchases and sales of these investments are recognised on the trade date, which is the date that the charity commits to purchase or sell the assets, at their fair value adjusted for transaction costs.

The fair values of investments are based on quoted bid prices. Where there is no active market, fair value is established using a valuation technique based on observable market data where available.

Investments at amortised cost

Current asset investments at amortised cost consist of cash deposits with original maturities of more than three months but which mature within 12 months of the balance sheet date.

Investment in subsidiary undertakings

Investment in subsidiary undertakings is accounted for at fair value. Changes in value are reported under 'net gains/(losses) on investments' in the charity statement of financial activities. The cumulative fair value gain is held in a revaluation reserve in the parent balance sheet.

Cash at bank and in hand

Cash at bank and in hand includes short term deposits at amortised cost, which are highly liquid investments with original maturities of three months or less. Cash at bank and in hand equates to cash and cash equivalents in the statement of cash flows.

2 Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There were no critical accounting judgements made in the current or prior year.

The key source of estimation uncertainty is determining the fair value of the investment in subsidiary undertakings. Estimating the fair value requires the use of valuation techniques which includes a dividend discount model and analysis of price to book ratios of comparable entities. Based on the calculations performed, the trustees deem that net asset value is a reasonable approximation of fair value. The carrying amount of the investment in subsidiary undertakings at the balance sheet date was £483,403,000 (2018: £465,156,000).

3 Donations

During the year the charity received a donation of £5,000,000 (2018: £1,500,000) from Methodist Insurance PLC.

The charity received £184,000 (2018: £152,000) of donated services which the trustees have estimated as the fair value of management and administration costs incurred by subsidiary undertakings on behalf of the charity, but which are not recharged. An equal amount is included within expenditure on charitable activities.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

4 Dividend and interest income

	2019			2018		
	Unrestricted funds	Endowment funds	Total funds	Unrestricted funds	Endowment funds	Total funds
	£000	£000	£000	£000	£000	£000
Income from financial assets at fair value						
Equity securities						
- listed	-	3,065	3,065	-	2,700	2,700
Debt securities						
- listed	-	617	617	-	586	586
Income from financial assets at amortised cost						
- cash at bank and in hand and cash deposits, net of exchange movements	87	22	109	43	11	54
	87	3,704	3,791	43	3,297	3,340

5 Expenditure on raising funds

Expenditure on raising funds relates to investment management costs, which are charged to the expendable endowment fund.

6 Charitable giving - grants

	Grants to institutions	Shared costs	Support costs	Total
	£000	£000	£000	£000
2019				
National projects	1,035	13	82	1,130
England	14,970	190	84	15,244
Scotland	400	22	81	503
Wales	762	14	81	857
Ireland	595	21	81	697
Other	88	10	80	178
	17,850	270	489	18,609
2018				
National bodies	292	10	67	369
England	14,872	166	159	15,197
Scotland	527	28	72	627
Wales	629	15	72	716
Ireland	436	25	72	533
Other	188	11	67	266
	16,944	255	509	17,708

The charity does not make grants to individuals.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

During the year the charity made the following material institutional grants, where material is defined as over £100,000 in aggregate:

	2019 £000
National projects	
The Archbishops' Council, London *	61
The Faraday Institute for Science and Religion, Cambridge	140
The London Institute for Contemporary Christianity	180
The Representative Body of the Church in Wales *	15
Transforming Lives for Good (TLG), Bradford, West Yorkshire	178
	<hr/> 574
England	
Bristol Diocesan Board of Finance	130
Emmanuel Church, Eastbourne, East Sussex	126
Exeter Cathedral	125
Fylde Coast YMCA, Lytham St Annes, Lancashire	100
Just Finance Foundation, London	250
Lincoln Cathedral	125
Methodist Connexion, London	910
The Archbishops' Council, London	172
The Diocese of Bath and Wells	135
The Diocese of Birmingham	150
The Diocese of Blackburn	174
The Diocese of Canterbury	123
The Diocese of Chelmsford	269
The Diocese of Chester	162
The Diocese of Chichester	171
The Diocese of Derby	139
The Diocese of Durham	181
The Diocese of Ely	102
The Diocese of Exeter	180
The Diocese of Gloucester	107
The Diocese of Guildford	104
The Diocese of Leeds	318
The Diocese of Leicester	132
The Diocese of Lichfield	231
The Diocese of Lincoln	200
The Diocese of Liverpool	164
The Diocese of London	422
The Diocese of Manchester	222
The Diocese of Newcastle	120
The Diocese of Norwich	165
The Diocese of Oxford	257
The Diocese of Peterborough	117
The Diocese of Rochester	139
The Diocese of Salisbury	152
The Diocese of Sheffield	148
The Diocese of Southwark	258
The Diocese of Southwell and Nottingham	136
The Diocese of St Albans	157
The Diocese of St Edmundsbury and Ipswich	111
The Diocese of Winchester	128
Subtotal carried onto page 69	<hr/> 7,512

* Grants to these beneficiaries are classified within different geographical regions but in aggregate exceed £100,000.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

	2019
	£000
England (continued)	
Subtotal from page 68	7,512
The Diocese of Worcester	106
The Diocese of York	194
The John Wallis Church of England Academy, Ashford, Kent	107
York Minster	100
	<u>8,019</u>
Ireland	
Saint Patrick's Cathedral, Dublin	111
	<u>111</u>
Wales	
Bethel Community Church, Newport, South Wales	100
St Asaph Diocesan Board of Finance	100
The Representative Body of the Church in Wales	182
	<u>382</u>
Total material grants	<u>9,086</u>
Total of grants that are not individually material in aggregate:	
National projects	461
England	6,951
Scotland	400
Wales	380
Ireland	484
Other	88
	<u>8,764</u>
Total grants	<u>17,850</u>

Examples of grants paid are included in the Strategic Report. A full list of beneficiaries of charitable grants awarded in the year is included in the supplementary information on page 134.

During the prior year the charity made the following material institutional grants, where material is defined as over £100,000 in aggregate:

	2018
	£000
National bodies	
Church of England National Safeguarding Team, London	292
	<u>292</u>
England	
Historic Coventry Trust, Coventry, West Midlands	125
Leicester Cathedral	163
Methodist Connexion, London	910
Queen Elizabeth Scholarship Trust, London	114
Sheerness Dockyard Preservation Trust, Kent	102
St John at Hackney Church, London	100
The Archbishop of York Youth Trust, York	528
Subtotal carried onto page 70	<u>2,042</u>

NOTES TO THE CHARITY FINANCIAL STATEMENTS

	2018 £000
England (continued)	
Subtotal from page 69	2,042
The Diocese of Bath and Wells	140
The Diocese of Birmingham	136
The Diocese of Blackburn	130
The Diocese of Canterbury	121
The Diocese of Chelmsford	260
The Diocese of Chester	159
The Diocese of Chichester	170
The Diocese of Derby	140
The Diocese of Durham	173
The Diocese of Ely	101
The Diocese of Exeter	195
The Diocese of Gloucester	111
The Diocese of Leeds	353
The Diocese of Leicester	131
The Diocese of Lichfield	233
The Diocese of Lincoln	166
The Diocese of Liverpool	156
The Diocese of London	440
The Diocese of Manchester	218
The Diocese of Newcastle	120
The Diocese of Norwich	178
The Diocese of Oxford	270
The Diocese of Peterborough	115
The Diocese of Rochester	136
The Diocese of Salisbury	163
The Diocese of Sheffield	142
The Diocese of Southwark	258
The Diocese of Southwell and Nottingham	132
The Diocese of St Albans	147
The Diocese of St Edmundsbury and Ipswich	115
The Diocese of Winchester	125
The Diocese of Worcester	101
The Diocese of York	202
The Historic England Foundation, London	471
The Lambeth Conference Company Ltd, London	900
The Salvation Army - Strawberry Field, Liverpool	115
	<hr/> 9,265
Scotland	
The Prince's Foundation, Cumnock, East Ayrshire	177
	<hr/> 177
Wales	
The Representative Body of the Church in Wales	182
	<hr/> 182
Other	
Melbourne Anglican Foundation, Australia	140
	<hr/> 140
Total material grants	<hr/> <hr/> 10,056

NOTES TO THE CHARITY FINANCIAL STATEMENTS

	2018 £000
Total of grants that are not individually material in aggregate:	
England	5,607
Scotland	350
Wales	447
Ireland	436
Other	48
	<u>6,888</u>
Total grants	<u>16,944</u>

7 Other expenditure on charitable activities

Other charitable expenditure in the current year of £759,000 relates to the shared costs and support costs incurred in the charity's grant making activities and can be analysed as follows:

2019	National projects £000	England £000	Scotland £000	Basis of allocation
Shared costs	13	190	22	Time spent
Support costs:				
Governance costs	30	30	29	Mixed allocation*
Finance	4	4	4	Equal allocation
Information technology	4	4	4	Equal allocation
Buildings	6	6	6	Equal allocation
Corporate	8	8	8	Equal allocation
Other	30	32	30	Mixed allocation*
	<u>82</u>	<u>84</u>	<u>81</u>	
Other expenditure on charitable activities	<u>95</u>	<u>274</u>	<u>103</u>	
2019	Wales £000	Ireland £000	Other £000	Basis of allocation
Shared costs	14	21	10	Time spent
Support costs:				
Governance costs	29	29	28	Mixed allocation*
Finance	4	4	4	Equal allocation
Information technology	4	4	4	Equal allocation
Buildings	6	6	6	Equal allocation
Corporate	8	8	8	Equal allocation
Other	30	30	30	Mixed allocation*
	<u>81</u>	<u>81</u>	<u>80</u>	
Other expenditure on charitable activities	<u>95</u>	<u>102</u>	<u>90</u>	

*Mixed allocation includes some expenses that have been allocated equally between the different categories and other expenses that have been allocated directly to specific categories based on the nature of the support cost.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

Other charitable expenditure in the prior year of £764,000 relates to the shared costs and support costs incurred in the charity's grant making activities and can be analysed as follows:

	National bodies £000	England £000	Scotland £000	Basis of allocation
2018				
Shared costs	10	166	28	Time spent
Support costs:				
Governance costs	26	116	31	Mixed allocation*
Finance	1	1	1	Equal allocation
Information technology	4	4	4	Equal allocation
Buildings	4	4	4	Equal allocation
Corporate	6	6	6	Equal allocation
Other	26	28	26	Mixed allocation*
	<u>67</u>	<u>159</u>	<u>72</u>	
Other expenditure on charitable activities	<u>77</u>	<u>325</u>	<u>100</u>	
	Wales £000	Ireland £000	Other £000	Basis of allocation
2018				
Shared costs	15	25	11	Time spent
Support costs:				
Governance costs	31	31	25	Mixed allocation*
Finance	1	1	1	Equal allocation
Information technology	4	4	4	Equal allocation
Buildings	4	4	4	Equal allocation
Corporate	6	6	6	Equal allocation
Other	26	26	27	Mixed allocation*
	<u>72</u>	<u>72</u>	<u>67</u>	
Other expenditure on charitable activities	<u>87</u>	<u>97</u>	<u>78</u>	

*Mixed allocation includes some expenses that have been allocated equally between the different categories and other expenses that have been allocated directly to specific categories based on the nature of the support cost.

8 Net gains/(losses) on investments

The net gains/(losses) on investments in the unrestricted fund arises on its investment in subsidiary undertakings, which is accounted for at fair value.

The net gains/(losses) on investments in the expendable endowment fund are all generated by financial assets at fair value through the statement of financial activities.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

9 Taxation

Allchurches Trust Limited is a registered charity and there is no corporation tax charge in the year (2018: £nil). The £65,000 (2018: £43,000) tax charge recognised in the statement of financial activities relates to irrecoverable withholding tax that has been suffered on dividends received from overseas equity investments held by the expendable endowment fund.

10 Employee information

The charity itself has no employees, but uses staff employed by a subsidiary company to undertake its charitable activities. The subsidiary company recharges employee costs to the charity.

The average monthly number of full-time equivalent employees of the subsidiary company who carried out the charity's activities during the year was six (2018: six). All employees were employed in the United Kingdom in both the current and prior year.

	2019 £000	2018 £000
Wages and salaries	296	288
Social security costs	31	32
Pension costs - defined contribution plans	22	21
Pension costs - defined benefit plans	6	10
	<u>355</u>	<u>351</u>

In the current year, no employee received employee benefits in excess of £60,000 (2018: one in excess of £60,000).

11 Trustee remuneration

The trustees did not receive any remuneration from the charity during the current or prior year. Two trustees (2018: two trustees), who during the year were also non-executive directors of a subsidiary undertaking, received remuneration from that subsidiary in respect of their services as non-executive directors. Details of the remuneration they received are disclosed in note 29 to the consolidated financial statements.

During the year the charity reimbursed expenses totalling £13,000 (2018: £14,000) which were incurred by four trustees primarily in respect of travel and subsistence (2018: three trustees primarily in respect of travel and subsistence).

In addition, the charity paid direct expenses totalling £2,000 (2018: £3,000) which were incurred by six trustees primarily in respect of travel and subsistence (2018: eight trustees, primarily in respect of travel and subsistence and mobile devices).

None of the trustees was a member of the trading subsidiaries' defined benefit pension schemes during the current or prior year.

12 Key management remuneration

Key management remuneration of the charity, including employee benefits, pensions and social security costs, in the year was £137,000 (2018: £129,000). The key management of the charity can be found on page 54.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

13 Investments

	2019			2018		
	Unrestricted funds	Endowment funds	Total funds	Unrestricted funds	Endowment funds	Total funds
	£000	£000	£000	£000	£000	£000
Financial assets at fair value						
Equity securities						
- listed	-	87,554	87,554	-	73,590	73,590
Debt securities						
- listed	-	10,171	10,171	-	9,723	9,723
Investment in subsidiary	483,403	-	483,403	465,156	-	465,156
Total non-current investments	483,403	97,725	581,128	465,156	83,313	548,469
Current financial assets at amortised cost						
Cash on deposit	2,024	-	2,024	2,008	-	2,008
Total investments	485,427	97,725	583,152	467,164	83,313	550,477

The value of the investment in subsidiary on a historical cost basis is £50,000 (2018: £50,000).

The charity's investment in subsidiary is classified as level 3 in the fair value hierarchy. The methodology for determining the fair value of the investment is disclosed in note 2. No investments in the expendable endowment fund were classified as level 3 in the current or prior year.

Details of the charity's investment policy can be found in the Strategic Report on pages 38-39.

Reconciliation of the movement in financial assets:

	Unrestricted funds		Endowment funds	Total funds
	Investment in subsidiary	At amortised cost	At fair value	
	£000	£000	£000	£000
2019				
Fair value at 1 January	465,156	2,008	83,313	550,477
Additions at cost	-	2,024	13,294	15,318
Sale proceeds	-	(2,008)	(9,248)	(11,256)
Fair value gains	18,247	-	10,366	28,613
Fair value at 31 December	483,403	2,024	97,725	583,152
	Unrestricted funds		Endowment funds	Total funds
	Investment in subsidiary	At amortised cost	At fair value	
	£000	£000	£000	£000
2018				
Fair value at 1 January	474,038	4,022	64,603	542,663
Additions at cost	-	2,008	42,171	44,179
Sale proceeds	-	(4,022)	(16,565)	(20,587)
Fair value losses	(8,882)	-	(6,896)	(15,778)
Fair value at 31 December	465,156	2,008	83,313	550,477

NOTES TO THE CHARITY FINANCIAL STATEMENTS

14 Debtors

	2019			2018		
	Unrestricted funds	Endowment funds	Total funds	Unrestricted funds	Endowment funds	Total funds
	£000	£000	£000	£000	£000	£000
Prepayments and accrued income	24	291	315	10	294	304

15 Cash at bank and in hand

	2019			2018		
	Unrestricted funds	Endowment funds	Total funds	Unrestricted funds	Endowment funds	Total funds
	£000	£000	£000	£000	£000	£000
Short term deposits	25,295	11,407	36,702	16,432	2,103	18,535
Cash at bank and in hand	825	-	825	3,817	-	3,817
	<u>26,120</u>	<u>11,407</u>	<u>37,527</u>	<u>20,249</u>	<u>2,103</u>	<u>22,352</u>

16 Creditors

	2019			2018		
	Unrestricted funds	Endowment funds	Total funds	Unrestricted funds	Endowment funds	Total funds
	£000	£000	£000	£000	£000	£000
Amounts falling due within one year:						
Accruals for grants payable	1,469	-	1,469	1,992	-	1,992
Amounts due to related parties	2	-	2	1	-	1
Other creditors	69	1	70	113	4	117
	<u>1,540</u>	<u>1</u>	<u>1,541</u>	<u>2,106</u>	<u>4</u>	<u>2,110</u>
Amounts falling due after one year:						
Accruals for grants payable	664	-	664	816	-	816
	<u>664</u>	<u>-</u>	<u>664</u>	<u>816</u>	<u>-</u>	<u>816</u>

NOTES TO THE CHARITY FINANCIAL STATEMENTS

17 Summary of fund movements

	Unrestricted funds				
	General funds	Designated funds	Endowment funds	Revaluation reserve	Total
	£000	£000	£000	£000	£000
Fund balance at 1 January 2019	19,395	-	85,706	465,106	570,207
Income	30,771	4,500	3,704	-	38,975
Expenditure	(18,609)	-	(332)	-	(18,941)
Taxation	-	-	(65)	-	(65)
Fair value gains on investments:					
Investment in subsidiary	-	-	-	18,247	18,247
Other investments at fair value	-	-	10,366	-	10,366
Gross transfers to endowment funds	(13,500)	-	13,500	-	-
Gross transfers to unrestricted funds	3,441	16	(3,457)	-	-
Gross transfers to designated funds	(4,863)	4,863	-	-	-
Fund balance at 31 December 2019	16,635	9,379	109,422	483,353	618,789
Fund balance at 1 January 2018	19,918	-	88,145	473,988	582,051
Income	18,695	-	3,297	-	21,992
Expenditure	(17,708)	-	(307)	-	(18,015)
Taxation	-	-	(43)	-	(43)
Fair value losses on investments:					
Investment in subsidiary	-	-	-	(8,882)	(8,882)
Other investments at fair value	-	-	(6,896)	-	(6,896)
Gross transfers to endowment funds	(5,000)	-	5,000	-	-
Gross transfers to unrestricted funds	3,490	-	(3,490)	-	-
Fund balance at 31 December 2018	19,395	-	85,706	465,106	570,207

The general unrestricted fund consists of funds available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities it has adopted as set out in the Strategic Report on pages 10-11.

The designated fund consists of funds that have been designated by the trustees for the furtherance of purposes or projects of or relating to the Methodist Church. The source of these funds is the donations that the charity receives from Methodist Insurance PLC (see note 3). During the year, the trustees designated £4,863,000 previously held in the general unrestricted fund.

The endowment fund is an expendable endowment fund that is retained to strengthen the charity's reserves and provide diversification of the charity's assets.

The revaluation reserve is the cumulative fair value gain on the charity's investment in subsidiary undertakings.

NOTES TO THE CHARITY FINANCIAL STATEMENTS

18 Related party transactions

Transactions between the charity and its subsidiaries, which are related parties, are shown below. Transactions between the charity and its trustees, who are related parties, are disclosed in note 11.

	2019	2018
	£000	£000
Gift aid received	30,000	17,000
Expenses recharged	408	434
Investment management fees paid	242	242
Amounts due to related parties	2	1

In the current and prior year gift aid was received from and expenses recharged from Ecclesiastical Insurance Office plc. Investment management fees were paid to EdenTree Investment Management Limited. Both companies are subsidiaries of the group.

19 Subsequent events

In early 2020, the existence of a new coronavirus, Covid-19, was confirmed. This virus has since spread across the globe and has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in UK and global stock markets. This pandemic presents various operational, market and investment risks to the charity which the trustees continue to monitor closely.

The charity considers the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event. Consequently, there is no impact on the recognition and measurement of assets and liabilities at 31 December 2019.

The charity has taken action to ensure it continues to operate effectively, safeguard its employees and meet the needs of its beneficiaries.

Covid-19 has impacted how the charity operates. Business continuity plans have been used which have ensured the charity's staff are equipped to work in a remote environment and are able to continue to support our beneficiaries.

The overall financial impact of Covid-19 on the charity's results cannot be reliably estimated at this time. However, Covid-19 has affected the value of some key financial indicators of the charity including financial investments of £86.7m (unaudited) estimated at 31 March 2020 (2019: £97.7m) and the value of the charity's investment in its subsidiary undertaking, estimated to be above £405m (unaudited) at 31 March 2020 (2019: £483m). The immediate subsidiary undertaking Group's Solvency II Capital Cover was estimated to be over 170% (unaudited) at 31 March 2020 (31 December 2019: 189% (unaudited)) and continues to have a capital position in excess of the regulatory levels required.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2019

	Notes	2019			2018		
		Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from:							
Donations		5,000	-	5,000	1,500	-	1,500
Other trading activities							
Income arising from trading activities	22	323,654	-	323,654	303,232	-	303,232
Investments							
Dividend, interest and rental income	23	35,316	3,704	39,020	35,986	3,297	39,283
Total income		363,970	3,704	367,674	340,718	3,297	344,015
Expenditure on:							
Raising funds		-	(332)	(332)	-	(307)	(307)
Charitable activities							
Grants		(17,850)	-	(17,850)	(16,944)	-	(16,944)
Other expenditure on charitable activities		(575)	-	(575)	(612)	-	(612)
Other							
Charitable donations paid by trading subsidiaries		(2,523)	-	(2,523)	(1,755)	-	(1,755)
Expenditure arising from trading activities		(326,113)	-	(326,113)	(293,141)	-	(293,141)
Total expenditure		(347,061)	(332)	(347,393)	(312,452)	(307)	(312,759)
Net gains/(losses) on investments	24	40,891	10,366	51,257	(30,842)	(6,896)	(37,738)
Taxation	25	(6,683)	(65)	(6,748)	1,644	(43)	1,601
		51,117	13,673	64,790	(932)	(3,949)	(4,881)
Net income/(expenditure) in the year	26						
a. arising from the charity		(13,338)	13,673	335	(16,013)	(3,949)	(19,962)
b. arising from trading activities		64,455	-	64,455	15,081	-	15,081
		51,117	13,673	64,790	(932)	(3,949)	(4,881)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

for the year ended 31 December 2019

	Notes	2019			2018		
		Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Transfer between funds							
Gross transfers to endowment funds		(13,500)	13,500	-	(5,000)	5,000	-
Gross transfers to unrestricted funds		3,457	(3,457)	-	3,490	(3,490)	-
Other recognised (losses)/gains							
Gains on revaluation of fixed assets		-	-	-	105	-	105
Actuarial (losses)/gains on retirement benefits	41	(7,916)	-	(7,916)	4,562	-	4,562
Other losses							
<i>Currency translation differences</i>	43	(1,371)	-	(1,371)	(3,082)	-	(3,082)
Gains on net investment hedges	43	640	-	640	1,692	-	1,692
Tax attributable to other recognised losses/(gains)	25	1,330	-	1,330	(993)	-	(993)
Minority interests	44	(8,891)	-	(8,891)	(8,922)	-	(8,922)
Net movement in funds excluding minority interests		24,866	23,716	48,582	(9,080)	(2,439)	(11,519)
Total funds brought forward	42	484,501	85,706	570,207	493,906	88,145	582,051
Acquisition of minority interests	44	-	-	-	(325)	-	(325)
Total funds carried forward		509,367	109,422	618,789	484,501	85,706	570,207

The accompanying notes on pages 83 to 133 are an integral part of this consolidated statement of financial activities. All income relates to continuing operations.

CONSOLIDATED BALANCE SHEET

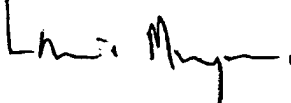
at 31 December 2019

	Notes	2019 Total funds £000	2018 Total funds £000
Fixed assets			
Intangible assets	32	28,000	23,170
Tangible assets	33	11,056	9,261
Investment property	34	148,146	152,182
Investments	35	970,485	889,614
Investment in associate	30	5,171	-
Total fixed assets		1,162,858	1,074,227
Current assets			
Debtors	37	539,186	467,190
Investments	35	2,024	2,008
Cash at bank and in hand	38	135,896	156,469
Total current assets		677,106	625,667
Liabilities			
Creditors: amounts falling due within one year	39	(125,101)	(115,048)
Net current assets		552,005	510,619
Total assets less current liabilities		1,714,863	1,584,846
Creditors: amounts falling due after one year	39	(1,653)	(2,044)
Provisions for liabilities	40	(988,860)	(915,826)
Net assets excluding retirement benefit obligations		724,350	666,976
Net pension asset	41	3,527	12,134
Other retirement benefit obligations	41	(5,998)	(5,813)
Total net assets including retirement benefit obligations		721,879	673,297
The funds of the charity:			
General unrestricted funds	42	16,635	19,395
Designated unrestricted funds	42	9,379	-
		26,014	19,395
Endowment funds	42	109,422	85,706
Revaluation reserve	42	640	640
Non-charitable trading reserves	42	464,452	445,455
Translation and hedging reserve	43	18,261	19,011
Total unrestricted funds		618,789	570,207
Minority interests	44	103,090	103,090
Total funds		721,879	673,297

The consolidated financial statements of Allchurches Trust Limited, registration number 1043742, on pages 78 to 133 were approved and authorised for issue by the Board on 11 May 2020 and signed on its behalf by:



Tim Carroll
Chairman



Sir Laurie Magnus
Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	2019	2018
	£000	£000
Net income/(expenditure) for the reporting period	64,790	(4,881)
Adjustments for:		
Depreciation of property, plant and equipment	2,734	2,598
Loss/(gain) on disposal of property, plant and equipment	172	(8)
Revaluation of property, plant and equipment	-	(85)
Amortisation and impairment of intangible assets	6,308	5,546
Share of profit of associate	(59)	-
Tax expense/(income)	6,748	(1,601)
(Gains)/losses on financial investments and investment property	(63,690)	41,968
Dividend and interest income from investments	(30,312)	(31,067)
Finance costs	100	329
Increase in debtors	(70,340)	(23,078)
Increase in creditors	15,916	8,770
Increase/(decrease) in provisions	74,285	(13,589)
Adjustment for pension funding	929	3,024
(Decrease)/increase in retirement benefit obligation	(53)	143
Proceeds from the sale of investment property by trading subsidiaries	327	-
Proceeds from the sale of financial investments by trading subsidiaries	148,127	149,562
Purchase of investment property by trading subsidiaries	(190)	-
Purchase of financial investments by trading subsidiaries	(163,002)	(125,739)
Dividends received by trading subsidiaries	10,296	10,817
Interest received by trading subsidiaries	15,909	17,053
Interest paid by trading subsidiaries	(100)	(329)
Tax paid by trading subsidiaries	(8,820)	(5,660)
Net cash provided by operating activities	10,075	33,773
Cash flows from investing activities:		
Purchases of property, plant and equipment	(4,678)	(1,943)
Proceeds from the sale of property, plant and equipment	-	60
Purchases of intangible assets	(9,619)	(2,412)
Purchase of investments	(15,318)	(44,179)
Proceeds from the sale of investments	11,256	20,587
Acquisition of business, net of cash acquired	(5,252)	(975)
Acquisition of interests in subsidiaries, net of cash acquired	(1,360)	(1,035)
Dividend and interest income from parent charity investments	3,701	3,276
Net cash used in investing activities	(21,270)	(26,621)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2019

	2019 £000	2018 £000
Cash flows from financing activities:		
Payment of finance lease liabilities	(300)	(346)
Acquisition of non-controlling interests	-	-
Dividends paid to non-controlling interests of subsidiaries	(8,891)	(8,922)
Net cash provided by/(used in) financing activities	(9,191)	(9,268)
Change in cash and cash equivalents in the reporting period	(20,386)	(2,116)
Analysis of changes in net debt		
Cash and cash equivalents at the beginning of the reporting period	156,469	159,351
Change in cash and cash equivalents in the reporting period	(20,386)	(2,116)
Change in cash and cash equivalents due to exchange rate movements	(187)	(766)
Cash and cash equivalents at the end of the reporting period	135,896	156,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 Accounting policies for consolidated financial statements

The principal accounting policies adopted in preparing the consolidated financial statements are set out below. Where an accounting policy specifically relates to the charity, it is not repeated in the group's accounting policies, and reference should be made to note 1 to the charity's accounts.

Basis of preparation

The consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; the Companies Act 2006 (the Act); 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)' (SORP) (effective 1 January 2019). The historical cost convention has been applied, modified to include certain items at fair value as permitted by section 404 of the Act. The format of the financial statements has been adapted to comply with the SORP as permitted by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The principal activities of the trading subsidiaries of the charity remain the transaction of insurance and the provision of financial services. All funds within the trading subsidiaries support their trade. Note 48 includes certain disclosures relevant for groups containing insurance companies in accordance with Financial Reporting Standard 103 (FRS 103), Insurance Contracts.

The parent charity meets the definition of a public benefit entity under FRS 102.

The charity, together with its trading subsidiaries, has considerable financial resources and is well placed to withstand significant market disruption: at 31 December 2019 the unrestricted fund has investments of £874.8m, 89% of which are liquid (2018: investments of £808.3m, 91% liquid); cash at bank and in hand of £124.5m and no borrowings (2018: cash at bank and in hand of £154.4m and no borrowings). These liquid assets are significantly in excess of total current liabilities at 31 December 2019 of £125.1m (2018: £115.0m).

In light of the current uncertainty regarding the impact of Covid-19, the group has considered its capital position, liquidity and the impact on performance. The trading subsidiaries have strong levels of cash and other liquid resources and have no concerns over the ability to meet their cash commitments over the three year planning horizon. The trading subsidiaries continue to expect to meet regulatory requirements and have responded to any enquiries that regulators have asked regarding management's assessment of the impact of Covid-19 on solvency and operational matters. Covid-19 has impacted how the businesses operate. The well-established business continuity plans have been used which have ensured our employees are equipped to work in a remote environment and are able to continue to support our customers, work with our key suppliers and perform other functions of the group. Whilst making some of these short term changes to the way the group operate has caused some level of disruption, the businesses have continued to deliver services and expect to continue to do so over the foreseeable future. Given the group's operations, robust capital strength, liquidity and in conjunction with forecast projections, the trustees have a reasonable expectation that the group is well placed to manage its business risks successfully and continue in operational existence for at least 12 months from the date of this report.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts of the group.

Items included in the financial statements of each of the group's entities are measured in the currency of the primary economic environment in which that entity operates (the 'functional currency'). The consolidated financial statements are stated in sterling, which is the charity's functional and presentation currency.

Basis of consolidation

Subsidiaries

Subsidiaries are those entities over which the charity, directly or indirectly, has control. For businesses acquired or disposed of during the year, the results and cash flows relating to a business are included in the consolidated statement of financial activities and the consolidated statement of cash flows from the date of acquisition or up to the date of disposal. All inter-company transactions, balances and profits are eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The group uses the purchase method of accounting to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Minority interests are measured at a proportionate share of the identifiable net assets of the acquiree. Goodwill is calculated as the excess of the aggregate consideration transferred, the fair value of contingent consideration, the minority interests and, for an acquisition achieved in stages, the fair value of previously held equity interest over the fair value of the identifiable net assets acquired.

Associates

Associate are those entities over which the group has significant influence and are neither subsidiaries nor interests in joint ventures. The assets, liabilities and results of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the group's share of the net income/(expenditure) and other recognised gains/(losses) of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate, the group discontinues recognising its share of further losses. Additional losses are recognised by a provision only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Foreign currency translation

The assets and liabilities of foreign operations are translated from their functional currencies into the group's presentation currency using year end exchange rates, and their income and expenses using average exchange rates for the year. Exchange differences arising from the translation of the net investment in foreign operations are taken to the translation reserve. On disposal of a foreign operation, such exchange differences are transferred out of this reserve, along with the corresponding movement on net investment hedges, and are recognised in the statement of financial activities as part of the gain or loss on sale.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. Exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of financial activities.

Turnover

General insurance business

Premiums written by trading subsidiaries are shown gross of commission paid to intermediaries and are accounted for in the period in which the risk commences. Estimates are included for premiums not notified by the year end ("pipeline premiums") and provision is made for the anticipated lapse of renewals not yet confirmed. Those proportions of premiums written in a year which relate to periods of risk extending beyond the end of the year are carried forward as unearned premiums.

Premiums written include adjustments to premiums written in prior periods and estimates for pipeline premiums and are shown net of insurance premium taxes.

Long-term insurance business

A trading subsidiary markets and sells pre-paid funeral plans. Immediately following a sale, the funeral plan funds are invested in a whole-of-life assurance policy with a life insurance company authorised by the Prudential Regulatory Authority (PRA). The trading subsidiary uses independent, third party, PRA authorised life insurance companies and a PRA authorised fellow trading subsidiary, Ecclesiastical Life Limited (ELL), for this purpose. ELL is closed to new business.

By holding the funds in a whole-of-life assurance policy the Plan meets the requirements of Article 60(1) (a) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

The ultimate responsibility for providing the funeral is passed to independent funeral directors who are not owned by the group.

In each case, the ultimate value and timing of the funeral plan funds that will be paid to the funeral director is uncertain. Therefore, the trading subsidiary has accepted insurance risk, as defined under FRS 103, from the plan holder. The settlement of the trading subsidiary's obligation under the funeral plan contract is directly matched by the proceeds it receives from the whole-of-life assurance policy, which is shown as long-term reinsurance. Only where the whole-of-life assurance policy is provided by ELL is the group exposed to the wider risks associated with a traditional life insurance business which are explained in more detail in note 4 of the EIG plc annual report and accounts which can be obtained from the registered office, as shown on page 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The funeral plan funds are recognised as written premium when receivable, at which date the liabilities arising from them are also recognised. The transfer of the funds to the life insurance company is then accounted for as a reinsurance premium, on the same day, which results in an offsetting reinsurance asset being recognised.

Fee and commission income

Fee and commission income consists primarily of reinsurance commissions and reinsurance profit commissions from the trading subsidiaries' insurance business. It also includes income from the trading subsidiaries' insurance broking activities, investment fund management fees, distribution fees from mutual funds and commission revenue from the sale of mutual fund shares. As with general insurance premiums, reinsurance commissions are accounted for in the period in which the risk commences. Those proportions of reinsurance commissions written in a year which relates to periods of risk extending beyond the end of the year, are carried forward as deferred income. Reinsurance profit commissions are recognised at the point in time when the amount of commission can be accurately estimated.

Income generated from trading subsidiaries' insurance broking activities is recognised at the inception date of the cover. An estimate is made for the amount of fees and commission that may be clawed back as a result of policy cancellations or amendments. Where commission or fees are received in advance of the inception date of cover, deferred income is recognised.

Fees charged for investment management services are recognised as revenue when the services are provided. Management fees charged in respect of funeral plans are only refundable where the plan is cancelled within 30 days, and are recognised in full when the plan is sold with provision being made for the expected level of cancellations that give rise to a refund.

Claims

General insurance claims incurred include all losses occurring during the year, whether reported or not, related handling costs, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Claims handling costs include all internal and external costs incurred in connection with the negotiation and settlement of claims.

Long-term insurance business claims and death claims are accounted for when notified.

Insurance contract liabilities

General insurance technical provisions

(i) Outstanding claims provisions

General insurance outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs. Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business, the ultimate cost of which cannot be known with certainty at the balance sheet date. An estimate is made representing the best estimate plus a risk margin within a range of possible outcomes. Designated insurance liabilities are remeasured to reflect current market interest rates.

(ii) Provision for unearned premiums

The proportion of written premiums, gross of commission payable to intermediaries, attributable to subsequent periods is deferred as a provision for unearned premiums. The change in this provision is taken to the statement of financial activities in order that revenue is recognised over the period of risk.

Long-term business provisions

Under current requirements, long-term insurance contract liabilities arising from funeral plans, where the trading subsidiaries' liability under the funeral plan is linked to inflation, are measured using accounting policies consistent with those adopted previously prior to the adoption of FRS 103. The long-term business provision is held in respect of funeral plans and determined using methods and assumptions approved by the directors of the trading subsidiaries based on advice from their Chief Actuary.

Long-term insurance contract liabilities arising from funeral plans, where the trading subsidiaries' liability under the funeral plan is linked to performance of a with-profits life assurance plan provided by an independent, third party, life insurance company, are based on the group's estimate of the surrender value of the with-profits life assurance policy at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reinsurance

General insurance business

Certain trading subsidiaries assume and cede reinsurance in the normal course of business, with retention limits varying by line of business. Premiums on reinsurance assumed are recognised as revenue in the same manner as direct business. Outwards reinsurance premiums are accounted for in the same accounting period as the related premiums for the direct or inwards reinsurance business being reinsured. Estimates are included for premiums not notified by the year end and provision is made for the anticipated lapse of renewals not yet confirmed. The proportion of premiums ceded in a year which relates to periods of risk extending beyond the current year is carried forward as unearned.

Reinsurance assets primarily include balances due from both insurance and reinsurance companies for ceded insurance liabilities. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or the settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Long-term business

A trading subsidiary is the named beneficiary on a number of life assurance products sold by independent, third party, life insurance companies. The trading subsidiary has committed to pay the value it receives from these policies to the funeral director, appointed under the funeral plan of the named insured life, in consideration of their provision of the services agreed under the funeral plan. These contracts are shown as reinsurance of the corresponding obligations the trading subsidiary recognises in respect of the related funeral plan.

Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, being the difference between the cost and the fair value of assets and liabilities acquired, is capitalised in the balance sheet and amortised through the statement of financial activities over its estimated useful economic life of ten years, on a straight-line basis. The gain or loss on any subsequent disposal of a subsidiary or associated undertaking will include any attributable unamortised goodwill. Goodwill is tested annually for impairment and is carried at cost less accumulated amortisation less accumulated impairment losses. The amortisation and impairment charge for the period is included in the statement of financial activities within expenditure arising from trading activities.

Computer software

Computer software is carried at historical cost less accumulated amortisation and impairment, and amortised over a useful life of between three and ten years, using the straight-line method. The amortisation and impairment charge for the period is included in the statement of financial activities within expenditure arising from trading subsidiaries.

Other intangible assets

Other intangible assets consist of acquired brand, customer and distribution relationships, and are carried at cost at acquisition less accumulated amortisation after acquisition. Amortisation is on a straight-line basis over the weighted average estimated useful life of the intangible assets acquired. The amortisation charge for the period is included in the statement of financial activities within expenditure arising from trading activities.

Financial instruments

As permitted by FRS 102, the group has chosen to account for its financial instruments using the recognition and measurement provisions of IAS 39, *Financial Instruments: Recognition and Measurement* as adopted for use in the European Union.

IAS 39 requires certain financial assets and liabilities to be classified into separate categories, for which the accounting requirements differ.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The classification depends on the nature and purpose of the financial assets and liabilities, and is determined at the time of initial recognition. Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:

- Financial instruments designated as at fair value, those held for trading, and hedge accounted derivatives are subsequently carried at fair value. To the extent to which they are effective, changes to the fair value of hedging instruments are included in the other recognised gains/(losses) in the statement of financial activities. All other changes in fair value are included in net gains/(losses) on investments in the statement of financial activities in the period in which they arise.
- All other financial assets and liabilities are held at amortised cost, using the effective interest method (except for short-term debtors and creditors when the recognition of interest would be immaterial).

Investments

(i) Financial assets at fair value through profit or loss

Financial investments are classified into this category if they are managed, and their performance evaluated, on a fair value basis. Purchases and sales of these investments are recognised on the trade date, which is the date that the group commits to purchase or sell the assets, at their fair value adjusted for transaction costs. Financial investments within this category are classified as held for trading if they are derivatives that are not accounted for as a net investment hedge or are acquired principally for the purpose of selling in the near term.

The fair values of investments are based on quoted bid prices. Where there is no active market, fair value is established using a valuation technique based on observable market data where available.

Derivative financial instruments and hedging

Derivative financial instruments include foreign exchange contracts and other financial instruments that derive their value from underlying equity instruments. All derivatives are initially recognised in the balance sheet at their fair value, which usually represents their cost, including any premium paid. They are subsequently remeasured at their fair value, with the method for recognising changes in the fair value depending on whether they are designated as hedges of net investments in foreign operations. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities in the balance sheet as they do not represent the fair value of these transactions. Collateral pledged by way of cash margins on futures contracts is recognised as an asset in the balance sheet within cash at bank and in hand.

Certain trading subsidiary derivative transactions, while providing effective economic hedges under the trading subsidiaries' risk management positions, do not qualify for hedge accounting under FRS 102 and are therefore treated as held for trading. Their fair value gains and losses are recognised immediately in net gains/(losses) on investments. The fair value gains and losses for derivatives which are hedge accounted under FRS 102 are shown as other recognised gains/(losses) in the statement of financial activities.

(ii) Financial assets at amortised cost

Financial assets at amortised cost include loans and cash held on deposit for more than three months. These are carried at amortised cost using the effective interest method. Loans are recognised when cash is advanced to borrowers. To the extent that a loan is uncollectable, it is written off as impaired. Subsequent recoveries are credited to net income/(expenditure).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Financial assets at fair value through other recognised gains/(losses)

Derivative instruments for hedging of net investments in foreign operations

On the date a foreign exchange contract is entered into, the trading subsidiaries designate certain contracts as a hedge of a net investment in a foreign operation (net investment hedge) and hedge the forward foreign currency rate. Hedge accounting is used for derivatives designated in this way, provided certain criteria are met. At the inception of the transaction, the trading subsidiaries document the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for undertaking the hedge transaction. The trading subsidiaries also document their assessment of whether the hedge is expected to be, and has been, highly effective in offsetting the risk in the hedged item, both at inception and on an ongoing basis.

Gains and losses on the hedging instrument, relating to the effective portion of the net investment hedge, are recognised in other recognised gains/(losses) and accumulated in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in net income/(expenditure), and is included in net investment gains/(losses). Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to net income/(expenditure) on disposal of the related investment.

Income from investments

Investment income consists of dividends, interest and rent receivable for the year. Dividends on equity securities are recognised on the ex-dividend date. Interest and rental income is recognised as it accrues. Dividends from overseas equities are grossed-up for the irrecoverable withholding tax suffered.

Unrealised gains and losses are calculated as the difference between carrying value and the original cost, and the movement during the year is recognised in the statement of financial activities. The value of realised gains and losses includes an adjustment for previously recognised unrealised gains or losses on investments disposed of in the accounting period.

The impact of discount rate changes on insurance contract liabilities has also been included within net gains/(losses) on investments in order to match with the corresponding movements in assets backing the liabilities.

Offset of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Deferred acquisition costs

General insurance business

For general insurance business, a proportion of commission and other acquisition costs relating to unearned premiums is carried forward as deferred acquisition costs or, with regard to reinsurance outwards, as deferred income. Deferred acquisition costs are amortised over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset.

Long-term business

For long-term insurance contracts, acquisition costs comprise direct costs such as initial commission and the indirect costs of obtaining and processing new business. Acquisition costs which are incurred during a financial year are deferred and amortised over the period during which the costs are expected to be recoverable, if applicable.

Taxation

Tax arising from trading activities comprises current and deferred tax. Tax is included in calculating the net income/(expenditure) for the period except to the extent it relates to items recognised in other gains and losses, in which case it is recognised in other gains and losses. Irrecoverable tax withheld from overseas dividend income is recognised when the dividend is received.

Current tax is the expected tax payable by the trading subsidiaries on their taxable results for the period, after any adjustment in respect of prior periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax is recognised in respect of timing differences, being the difference between when gains and losses are included in tax assessments and when they are recognised in the financial statements. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised or when the deferred tax liability is settled, based on tax rates and laws which have been enacted or substantively enacted at the year end date.

Deferred tax assets are recognised to the extent that it is more likely than not that future taxable profits will be available against which the future reversal of timing differences can be offset.

Investment property

Investment property comprises land and buildings which are held for long-term rental yields. It is carried at fair value with changes in fair value recognised in the statement of financial activities within net gains/(losses) on investments. Investment property is valued annually by external qualified surveyors.

Tangible assets

Owner-occupied properties are stated at fair value and movements are taken to the revaluation reserve, net of deferred tax. When such properties are sold, the accumulated revaluation surpluses are transferred from this reserve to non-charitable trading reserves. Where the market value of an individual property is below original cost, any revaluation movement arising during the year is recognised within net gains/(losses) on investments in the statement of financial activities. Valuations are carried out at least every three years by external qualified surveyors.

All other items classified as tangible fixed assets are carried at historical cost less accumulated depreciation and impairment. Depreciation is calculated to write down the cost of the assets to their residual values over their estimated useful lives as follows:

Computer equipment	3 - 5 years straight line
Motor vehicles	4 years straight line or 27% reducing balance
Fixtures, fittings and office equipment	3 - 10 years, or length of lease, straight line

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Employee benefits

Pension obligations

The trading subsidiaries operate a number of defined benefit and defined contribution plans, the assets of which are held in separate trustee-administered funds.

For defined benefit plans, the pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of financial activities so as to spread the regular cost over the service lives of employees. The pension obligation is measured as the present value of the estimated future cash outflows using a discount rate based on market yields for high-quality corporate bonds. The resulting pension plan surplus, where recoverable, or deficit appears as an asset or obligation in the balance sheet. Any asset resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future employer contributions to the plan. Independent actuarial valuations are carried out at the end of each reporting period.

Current and past service costs, gains and losses on curtailments and settlements and net interest expense or income (calculated by applying a discount rate to the net defined benefit liability or asset) are recognised through net income/(expenditure). Actuarial gains and losses are recognised in full in the period in which they occur in the statement of financial activities within other recognised gains/(losses).

Contributions in respect of defined contribution plans are recognised as expenditure in the statement of financial activities as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other post-employment obligations

Some trading subsidiaries provide post-employment medical benefits to their retirees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Interest expense (calculated by applying a discount rate to the net obligations) is recognised through net income/(expenditure). Actuarial gains and losses are recognised immediately in the statement of financial activities within other recognised gains/(losses). Independent qualified actuaries value these obligations annually.

Other benefits

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made as lessees under operating leases are charged to net income/(expenditure) on a straight-line basis over the period of the lease. Rental income received as a lessor under operating leases is credited to net income/(expenditure) on a straight-line basis over the period of the lease. Benefits that the group receives as a lessee or provides as a lessor as an incentive to enter into an operating lease agreement are recognised on a straight-line basis over the period of the lease.

Leases, where a significant portion of the risks and rewards of ownership are transferred to the group, are classified as finance leases. Assets obtained under finance lease contracts are capitalised as tangible assets and are depreciated over the period of the lease. Obligations under such agreements are included within other creditors net of finance charges allocated to future periods. The interest element of the lease payments is charged to net income/(expenditure) over the period of the lease. Assets held under finance leases are not significant to these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Critical accounting estimates and judgements in applying accounting policies

The trading subsidiaries make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are regularly reviewed and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and judgements made by the trading subsidiaries relate to:

- (a) The ultimate liability arising from claims made under general business insurance contracts
- (b) Future benefit payments arising from long-term insurance contracts
- (c) Pensions and other post-employment benefits
- (d) Goodwill impairment and the carrying value of goodwill
- (e) Unlisted equity securities
- (f) Recognition of long-term insurance contracts

Full details of the critical accounting estimates and judgements that are made by the trading subsidiaries can be found in the notes to the financial statements of the annual report and accounts of EIG plc, which are available from the registered office on page 6.

22 Trading activities

The income and expenditure arising from trading activities relates to the activities of the charity's trading subsidiaries.

A full list of the charity's trading subsidiaries is provided in note 46. The results of the trading subsidiaries are included in unrestricted funds in the consolidated statement of financial activities on page 78.

The income from trading activities includes net earned premiums and fee and commission income for insurance business; and fee and commission income for investment management and broking and advisory services, which includes prepaid funeral plan distribution and administration.

The expenditure from trading activities includes net incurred claims, fees, commissions and expenses for insurance business; and expenses for investment management and broking and advisory services, which includes prepaid funeral plan distribution and administration.

Gross written premiums are used as the measure of turnover for the general insurance and long-term insurance businesses. Fee and commission income earned in relation to services provided by the trading subsidiaries to third parties is the measure of turnover for investment management and broking and advisory activities, which includes prepaid funeral plan distribution and administration.

(a) An analysis of the trading subsidiaries' turnover by geographical location of office is set out below:

	2019	2018
	£000	£000
United Kingdom and Ireland	340,240	329,610
Australia	68,857	56,946
Canada	64,457	54,158
	<u>473,554</u>	<u>440,714</u>
Reconciliation of turnover to income from trading subsidiaries:		
Turnover	473,554	440,714
Outward reinsurance premium	(184,788)	(174,625)
Net change in provision for unearned premium	(15,080)	(5,242)
Other fee and commission income not included in turnover	49,909	42,385
Share of profit of associate	59	-
Income arising from trading activities	<u>323,654</u>	<u>303,232</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) An analysis of the turnover from trading activities by class of business is set out below:

	2019	2018
	£000	£000
General insurance business	393,965	356,950
Long-term insurance business	31,889	37,006
Investment management	12,557	12,360
Broking and advisory	35,143	34,398
	<u>473,554</u>	<u>440,714</u>

(c) An analysis of long-term insurance gross written premiums is set out below:

	2019	2018
	£000	£000
Single premiums	31,879	36,994
Regular premiums	10	12
	<u>31,889</u>	<u>37,006</u>

(d) Results of trading subsidiaries engaged in insurance business*

	2019			2018	
	Ecclesiastical Insurance Office plc £000	Ansvar Insurance Limited £000	Ecclesiastical Life Limited £000	Total £000	Total £000
Profit and loss account					
Turnover	325,108	68,857	(13)	393,952	357,013
Dividend and interest income	42,046	2,947	3,082	48,075	38,916
Other income	(81,107)	(36,949)	-	(118,056)	(100,538)
Total income	<u>286,047</u>	<u>34,855</u>	<u>3,069</u>	<u>323,971</u>	<u>295,391</u>
Net incurred claims	(89,083)	(15,598)	(327)	(105,008)	(85,684)
Charitable donations	(2,233)	(139)	-	(2,372)	(1,546)
Other expenditure	(151,134)	(19,548)	(435)	(171,117)	(160,158)
Total expenditure	<u>(242,450)</u>	<u>(35,285)</u>	<u>(762)</u>	<u>(278,497)</u>	<u>(247,388)</u>
Net gains/(losses) on investments	37,430	(998)	4,514	40,946	(30,052)
Taxation	(5,763)	449	(66)	(5,380)	2,375
Gift aid paid to parent charity	(30,000)	-	-	(30,000)	(17,000)
Other comprehensive income and changes in equity	(15,161)	(3,611)	(10,000)	(28,772)	(10,292)
Profit/(loss) retained and transferred to reserves	<u>30,103</u>	<u>(4,590)</u>	<u>(3,245)</u>	<u>22,268</u>	<u>(6,966)</u>
Balance sheet					
Total assets	<u>1,191,450</u>	<u>194,963</u>	<u>129,632</u>	<u>1,516,045</u>	<u>1,442,228</u>
Equity	524,949	40,045	49,086	614,080	591,973
Liabilities	666,501	154,918	80,546	901,965	850,255
Total liabilities	<u>1,191,450</u>	<u>194,963</u>	<u>129,632</u>	<u>1,516,045</u>	<u>1,442,228</u>

These results have been included in the consolidated statement of financial activities on page 78 after consolidation adjustments.

*The results of the trading subsidiaries are the results under UKGAAP which is the accounting basis under which the consolidated accounts of the Trust are prepared. The majority of the trading subsidiaries prepare their accounts under IFRS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Results of trading subsidiaries engaged in investment management and broking and advisory services*

	2019				2018	
	Ecclesiastical Planning Services Limited £000	EdenTree Investment Management Limited £000	South Essex Insurance Brokers Limited £000	Lycetts Holdings Limited £000	Total £000	Total £000
Profit and loss account						
Turnover	3,980	15,003	10,072	22,741	51,796	50,582
Dividend and interest income	4	19	832	30	885	928
Total income	3,984	15,022	10,904	22,771	52,681	51,510
Charitable donations	-	(50)	(100)	(1)	(151)	(209)
Other expenditure	(5,138)	(15,390)	(8,642)	(21,480)	(50,650)	(47,203)
Total expenditure	(5,138)	(15,440)	(8,742)	(21,481)	(50,801)	(47,412)
Taxation	(50)	(19)	(503)	(280)	(852)	(842)
Other comprehensive income and changes in equity	-	(550)	(1,250)	(716)	(2,516)	(1,700)
(Loss)/profit retained and transferred to reserves	(1,204)	(987)	409	294	(1,488)	1,556
Balance sheet						
Total assets	246,754	18,335	17,603	31,671	314,363	285,906
Equity	(930)	9,298	12,357	5,795	26,520	28,009
Liabilities	247,684	9,037	5,246	25,876	287,843	257,897
Total liabilities	246,754	18,335	17,603	31,671	314,363	285,906
These results have been included in the consolidated statement of financial activities on page 76 after consolidation adjustments.						
*The results of the trading subsidiaries are the results under UKGAAP which is the accounting basis under which the consolidated accounts of the Trust are prepared. The majority of the trading subsidiaries prepare their accounts under IFRS.						

(f) Reconciliation of IFRS profit before tax to UKGAAP profit before tax

	2019 £000	2018 £000
Profit before tax of the trading subsidiaries under IFRS	69,876	16,415
Adjustments under UKGAAP:		
Amortisation of goodwill	267	(3,247)
Gross up of investment income for overseas tax suffered	323	403
Impact of difference in revenue recognition between IFRS and UKGAAP	248	(132)
Impact of difference in lease accounting between IFRS and UKGAAP	424	-
Profit before tax of the trading subsidiaries under UKGAAP	71,138	13,439

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(g) Reconciliation of IFRS shareholders' funds to UKGAAP shareholders' funds

	2019 £000	2018 £000
Shareholders' funds of the trading subsidiaries under IFRS	519,276	501,966
Adjustments under UKGAAP:		
Cumulative amortisation of goodwill	(36,413)	(36,678)
Cumulative impact of difference in revenue recognition between IFRS and UKGAAP	116	(132)
Cumulative impact of difference in lease accounting between IFRS and UKGAAP	424	-
Shareholders' funds of the trading subsidiaries under UKGAAP	<u>483,403</u>	<u>465,156</u>

23 Dividend, interest and rental income

	2019			2018		
	Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from financial assets at fair value through profit or loss						
Equity securities						
- listed	7,658	3,065	10,723	7,084	2,699	9,783
- unlisted	2,612	-	2,612	3,623	-	3,623
Debt securities						
- government bonds	945	-	945	1,071	-	1,071
- listed	13,275	617	13,892	13,956	586	14,542
Income from financial assets at amortised cost						
a. cash at bank and in hand and cash deposits net of exchange gains and losses	782	22	804	707	12	719
b. other income received	1,405	-	1,405	1,288	-	1,288
Other income						
c. rental income	8,639	-	8,639	8,257	-	8,257
	<u>35,316</u>	<u>3,704</u>	<u>39,020</u>	<u>35,986</u>	<u>3,297</u>	<u>39,283</u>

24 Net gains/(losses) on investments

	2019			2018		
	Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Net gains/(losses) on investments	57,224	10,366	67,590	(35,015)	(6,896)	(41,911)
Net losses on investment property	(3,900)	-	(3,900)	(56)	-	(56)
Net gains on property, plant and equipment	-	-	-	85	-	85
Impact of discount rate change on insurance contract liabilities	(12,433)	-	(12,433)	4,144	-	4,144
	<u>40,891</u>	<u>10,366</u>	<u>51,257</u>	<u>(30,842)</u>	<u>(6,896)</u>	<u>(37,738)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Tax arising from trading activities

The charity is a UK registered charity and is therefore exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

Taxation arises from the activities of the charity's trading subsidiaries.

(a) Tax charged/(credited) to net income/(expenditure) for the year

	2019 £000	2018 £000
Current tax on net income for the year		
UK corporation tax	953	5,294
Double tax relief	(6)	(29)
	<u>947</u>	<u>5,265</u>
Foreign tax	-	1,029
Adjustments in respect of prior years		
UK corporation tax	851	(391)
Foreign tax	-	106
	<u>851</u>	<u>(285)</u>
Total current tax	<u>1,798</u>	<u>6,009</u>
Deferred tax		
Origination and reversal of timing differences	4,950	(7,610)
Total deferred tax	<u>4,950</u>	<u>(7,610)</u>
Total tax on net income/(expenditure) for the year	<u>6,748</u>	<u>(1,601)</u>

At the balance sheet date, a change in the UK standard rate of corporation tax from 19% to 17% was to become effective from 1 April 2020. Deferred tax has been provided at an average rate of 17.5% (2018: 17.6%).

Tax on the group's net income before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

	2019 £000	2018 £000
Net income/(expenditure) before tax	71,538	(6,482)
Tax calculated at the UK standard rate of tax of 19% (2018: 19%)	13,592	(1,232)
<i>Factors affecting charge/(credit) for the year:</i>		
Expenses not deductible for tax purposes	1,642	57
Non-taxable income	(3,823)	(1,702)
Long-term insurance and other tax paid at non-standard rates	(5,081)	1,774
Utilisation of tax losses for which no deferred tax asset has been recognised	(433)	(213)
Adjustments to tax charge in respect of prior periods	851	(285)
Total tax expense/(credit)	<u>6,748</u>	<u>(1,601)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Tax (credited)/charged to other recognised (losses)/gains

	2019 £000	2018 £000
Current tax charged on:		
Fair value movements on hedge derivatives	129	110
Deferred tax (credited)/charged on:		
Fair value movements on owner-occupied property	-	18
Actuarial movements on retirement benefit plans	(1,349)	788
Fair value movements on hedge derivatives	(110)	77
Total tax (credited)/charged to other recognised gains/(losses)	(1,330)	993

26 Net income/(expenditure) in the year

	2019		2018	
	Unrestricted funds £000	Endowment funds £000	Unrestricted funds £000	Endowment funds £000
Net income/(expenditure) for the year has been arrived at after (crediting)/charging				
Net foreign exchange gains	(24)	(22)	(122)	(4)
Depreciation of tangible fixed assets	2,734	-	2,598	-
Amortisation of goodwill	2,482	-	3,269	-
Impairment of goodwill	1,474	-	-	-
Amortisation of intangible assets	2,352	-	2,277	-
Operating lease rentals	3,558	-	3,908	-
Fair value (gains)/losses on investments designated at fair value through profit and loss	(57,224)	(10,366)	35,015	6,896
Fair value losses on investment property	3,900	-	56	-
The amortisation and impairment of goodwill is included in 'expenditure arising from trading activities' in the consolidated statement of financial activities.				

27 Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	10	9
Fees payable to the charity's auditor and its associates for other services:		
- The audit of the charity's subsidiaries	895	660
Total audit fees	905	669
- Audit-related assurance services	276	235
- Other assurance services	-	-
Total non-audit fees	276	235
Fees payable to the charity's auditor in respect of associated pension schemes		
- The audit of associated pension schemes	17	18
Total auditor's remuneration	1,198	922
Amounts disclosed are net of services taxes, where applicable.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28 Employee information

The average monthly number of employees of the group, including Executive Directors of the trading subsidiaries, during the year by geographical location was:

	2019	2018
	No.	No.
United Kingdom and Ireland	1,233	1,212
Australia	97	96
Canada	84	77
	<u>1,414</u>	<u>1,385</u>

	2019	2018
	£000	£000
Wages and salaries	86,685	78,949
Social security costs	8,356	7,573
Pension costs - defined contribution plans	5,577	6,373
Pension costs - defined benefit plans	2,233	5,409
Other post-employment benefits	154	259
	<u>103,005</u>	<u>98,563</u>
Capitalised staff costs	<u>(1,090)</u>	<u>(342)</u>
	<u>101,915</u>	<u>98,221</u>

The above figures do not include termination benefits of £359,000 (2018: £145,000).

Defined contribution pension costs in the prior year included a one-off company contribution of £2,017,000 that was paid into the plan during 2019 following closure of the defined benefit pension plan to future accrual.

Due to the high number of qualified and skilled staff the Statement of Recommended Practice's requirement to disclose the number of group employees who received emoluments over £60,000 is commercially sensitive to the trading activities of the group and, with the agreement of the charity's trustees, is not made here.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 Key management remuneration

Two (2018: two) trustees received remuneration in their capacity as non-executive directors of subsidiary undertakings. Details of the emoluments received are as follows:

	2019 £000	Restated* 2018 £000
Timothy Carroll	63	63
Chris Moulder	65	60
Ms Denise Wilson**	-	41
Total emoluments paid to trustees in their capacity as non-executive directors of subsidiary undertakings	128	164

*Chris Moulder was appointed as a trustee of the charity on 10 May 2019. He received remuneration as a non-executive director of a subsidiary undertaking in the prior year which has been disclosed for comparative purposes.

**Ms Denise Wilson resigned as a trustee on 10 July 2018 and resigned as a non-executive director of a subsidiary undertaking on 21 August 2018.

None of the trustees was a member of the trading subsidiaries' defined benefit pension schemes during the current or prior year.

The key management remuneration of the charity is disclosed in note 12. The key management remuneration of the trading subsidiaries can be found in note 13 of the EIG plc annual report and accounts which are available from the registered office, as shown on page 6.

30 Associate undertaking

On 30 September 2019, EIG plc acquired 20% of the issued ordinary share capital of Lloyd & Whyte Group Limited, an unlisted company incorporated in the United Kingdom, and the holding company of a group whose primary activity is insurance brokerage services. A reconciliation of the movement in the group's investment in associate is as follows:

	Share of net assets £000	Goodwill £000	Total £000
At 1 January 2019	-	-	-
Acquired on 30 September 2019	483	4,629	5,112
Share of net income/(expenditure) for the period	59	-	59
	542	4,629	5,171

At the year end date the group's interest in Lloyd & Whyte Group Limited is as follows:

	2019 £000
Group's 20% share of:	
Revenue	550
Assets	3,508
Liabilities	(3,158)
Share of net assets	350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Acquisitions

On 4 October 2019, Lycetts Holdings Limited, a subsidiary of the group, acquired the entire ordinary share capital of Robertson-McIsaac Limited to expand its broker business.

On 11 June 2018, South Essex Insurance Brokers Limited, a subsidiary of the group, acquired certain assets of Equicover Limited and on 30 November 2018 acquired assets of Equestrian World Services from Greenwood Moreland Insurance Broker. Both acquisitions were in order to further expand its equine insurance broking services.

The amounts recognised in respect of the identifiable assets acquired in the current and prior year acquisitions are set out in the table below.

	2019 £000	2018 £000
Assets and liabilities acquired		
Intangible assets	-	292
Property, plant and equipment	3	-
Financial assets	567	-
Financial liabilities	(70)	-
Total identifiable assets	500	292
Goodwill	1,529	-
Total consideration	2,029	292
Satisfied by:		
Cash	1,817	225
Contingent consideration arrangement	-	67
Deferred consideration arrangement	212	-
	2,029	292
Cash flow analysis		
Cash consideration	1,817	225
Less cash balances acquired	(456)	-
	1,361	225

The deferred consideration arrangement made in 2019 requires a cash payment to be made on 30 August 2021.

The fair value of the identifiable intangible assets acquired in the prior year of £292,000 consists of the value of distributor relationships acquired. The contingent consideration arrangement required a cash payment to be made on 31 August 2019 and 31 August 2020. The amount paid in each case is determined by the number of policies converted in the two consecutive annual 'earn-out' periods which end on 6 June 2020. The fair value of the contingent consideration at acquisition was £67,000 based on forecast sales for the two 'earn-out' periods. At the acquisition date the potential future payment in respect of contingent consideration was between £nil and £90,000.

At the balance sheet date the fair value of the contingent consideration is £23,000 (2018: £63,000) and the movement in the fair value, as shown in note 40(a), is due to amounts paid in the year. Based on actual policies converted in the period to 31 December 2019, the potential future payment is between £23,000 and £32,000 (2018: £63,000 and £90,000).

No material acquisition related costs were incurred in relation to any transaction.

The acquisitions contributed £115,000 (2018: £16,000) revenue and £11,000 (2018: £14,000) to the trading subsidiaries' net income between the dates of acquisition and the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 Intangible assets

	Goodwill £000	Computer software £000	Other intangible assets £000	Total £000
Cost				
At 1 January 2019	49,533	24,177	19,251	92,961
Additions	1,529	9,619	-	11,148
Disposals	-	(4)	-	(4)
Exchange movements	-	7	-	7
At 31 December 2019	51,062	33,799	19,251	104,112
Amortisation				
At 1 January 2019	38,996	18,156	12,639	69,791
Provided in the year	2,482	968	1,384	4,834
Impairment losses in the year	1,474	-	-	1,474
Disposals	-	(4)	-	(4)
Exchange movements	-	17	-	17
At 31 December 2019	42,952	19,137	14,023	76,112
Net book value				
At 1 January 2019	10,537	6,021	6,612	23,170
At 31 December 2019	8,110	14,662	5,228	28,000

The intangible assets of the group relate to the trading subsidiaries. The parent charity has no intangible assets.

Goodwill arose on the acquisition of subsidiary undertakings and on the acquisition of business.

£1,496,000 (2018: £2,465,000) of the goodwill balance, relates to the acquisition of the assets of Funeral Planning Services Limited by Ecclesiastical Planning Services Limited. The recoverable amount of the investment in Funeral Planning Services Limited, determined on a value in use basis, indicated that an impairment of £969,000 arose in the year. The carrying value pre impairment was £4,046,000 and the value in use was £3,077,000. £nil (2018: £505,000) of the goodwill balance relates to the acquisition of Ecclesiastical Planning Services Limited. The recoverable amount of the investment in Funeral Planning Services Limited, determined on a value in use basis, indicated that an impairment of £505,000 arose in the year. The carrying value pre impairment was £3,582,000 and the value in use was £3,077,000. The value in use was calculated using projected cash flows to perpetuity, a discount rate of 10.2% and a growth rate beyond initial cash flow projections of 1.6%. Forecasted cash flows fell below the level required to maintain the valuation. In the prior year the recoverable amount of the goodwill was greater than the carrying amount and no impairment was made.

Other intangible assets consist of acquired brand, customer and distribution relationships, which have an overall remaining useful life of 3 years on a weighted average basis.

£2,982,000 of the other intangible assets balance in the current year relates to the acquisition of Lycetts Holdings Limited and has a remaining useful life of three years. £1,562,000 of the other intangible assets balance in the current year relates to the acquisition of the assets of Funeral Planning Services Limited and has a remaining useful life of seven years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 Tangible assets

	Land and buildings £000	Computer equipment £000	Motor vehicles £000	Office equipment £000	Total £000
Cost or valuation					
At 1 January 2019	2,995	8,839	2,354	9,583	23,771
Additions	-	3,034	142	1,632	4,808
Disposals	-	(76)	(352)	(656)	(1,084)
Exchange movements	-	(11)	-	(19)	(30)
At 31 December 2019	2,995	11,786	2,144	10,540	27,465
Depreciation					
At 1 January 2019	-	7,167	954	6,389	14,510
Charge for the year	-	1,399	320	1,015	2,734
Disposals	-	(75)	(224)	(531)	(830)
Exchange movements	-	(9)	-	4	(5)
At 31 December 2019	-	8,482	1,050	6,877	16,409
Net book value					
At 1 January 2019	2,995	1,672	1,400	3,194	9,261
At 31 December 2019	2,995	3,304	1,094	3,663	11,056

The tangible assets of the group relate to the trading subsidiaries. The parent charity has no tangible assets.

All properties were last revalued at 31 December 2018. Valuations were carried out by Cluttons LLP, an independent professional firm of chartered surveyors, who have recent experience in the location and type of properties. Valuations were carried out in accordance with The RICS Valuation - Global Standards 2017.

The value of land and buildings on a historical cost basis is £3,098,000 (2018: £3,098,000).

Included within net book value of motor vehicles is £1,027,000 (2018: £1,315,000) and within net book value of computer equipment is £nil (2018: £nil) in respect of assets held under finance leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Investment property

	2019 £000	2018 £000
Fair value at 1 January	152,182	152,238
Additions - subsequent expenditure	191	-
Disposals	(327)	-
Fair value losses	(3,900)	(56)
Fair value at 31 December	<u>148,146</u>	<u>152,182</u>

The investment property of the group relates to the trading subsidiaries. The parent charity has no investment property.

The trading subsidiaries' investment properties were last revalued at 31 December 2019 by Cluttons LLP, an independent professional firm of chartered surveyors who have recent experience in the location and type of properties. Valuations were carried out in accordance with The RICS Valuation - Global Standards 2017. There has been no change in valuation technique during the year.

The value of the investment property on a historical cost basis is £139,511,000 (2018: £139,421,000).

Included within investment property are long leasehold properties with a net book value at 31 December 2019 of £21,147,000 (2018: £22,299,000).

There are no restrictions on the realisability of investment property, nor on the remittance of income and proceeds of disposal. At the year end, there were no significant contractual obligations relating to investment properties.

Investment property transactions are shown as operating activities in the consolidated statement of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 Investments

	2019 £000	2018 £000
Financial assets at fair value through profit or loss		
Equity securities		
- listed	377,309	314,952
- unlisted	77,404	52,099
Debt securities		
- government bonds	154,244	148,053
- listed	348,172	358,386
- unlisted	270	125
Derivative financial instruments:		
- forwards	1,499	-
- options	1,562	5,331
- futures	-	-
	<u>960,460</u>	<u>878,946</u>
Financial assets at fair value through other recognised gains/(losses)		
Derivative financial instruments:		
- forwards	509	737
	<u>509</u>	<u>737</u>
Financial assets at amortised cost		
Cash held on deposit	4,974	9,914
Other loans	4,542	17
	<u>9,516</u>	<u>9,931</u>
Total non-current investments	<u>970,485</u>	<u>889,614</u>
Current asset investments at amortised cost		
Cash held on deposit	2,024	2,008
Total investments	<u>972,509</u>	<u>891,622</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the movement in financial assets:

	Unrestricted funds			Endowment funds	Total funds
	At fair value through profit or loss	At fair value through other recognised gains/(losses)	At amortised cost	At fair value through profit or loss	
	£000	£000	£000	£000	£000
2019					
Fair value at 1 January	795,634	737	11,938	83,313	891,622
Additions at cost	153,161	-	11,865	13,294	178,320
Disposal proceeds	(137,003)	(868)	(11,981)	(9,248)	(159,100)
Fair value gains	54,918	640	-	10,366	65,924
Redemption and repayments	-	-	(282)	-	(282)
Exchange losses	(3,975)	-	-	-	(3,975)
Fair value at 31 December	862,735	509	11,540	97,725	972,509
2018					
Fair value at 1 January	855,315	1,388	13,898	64,603	935,204
Additions at cost	125,677	-	2,070	42,171	169,918
Disposal proceeds	(147,219)	(2,343)	(4,022)	(16,565)	(170,149)
Fair value (losses)/gains	(32,709)	1,692	-	(6,896)	(37,913)
Redemptions and repayments	-	-	(8)	-	(8)
Exchange losses	(5,430)	-	-	-	(5,430)
Fair value at 31 December	795,634	737	11,938	83,313	891,622

Fair value gains/(losses) through profit or loss in the unrestricted fund exclude £2,306,000 fair value gains (2018: £2,306,000 fair value losses) on derivatives classified as financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 Derivative financial instruments

The trading subsidiaries utilise derivatives to mitigate equity price risk arising from investments held at fair value, foreign exchange risk arising from investments denominated in foreign currencies, and foreign exchange risk arising from investments denominated in Sterling that contain underlying foreign currency exposure. These 'non-hedge' derivatives either do not qualify for hedge accounting or the option to hedge account has not been taken.

A trading subsidiary has also formally designated certain derivatives as a hedge of its net investments in Australia and Canada. A gain of £640,000 (2018: gain of £1,692,000) in respect of these 'hedge' derivatives has been recognised in the hedging reserve within unrestricted funds, as disclosed in note 43. The trading subsidiary has formally assessed and documented the effectiveness of derivatives that qualify for hedge accounting in accordance with FRS 102.

Group	2019		2018		
	Contract/ notional amount	Fair value asset	Contract/ notional amount	Fair value asset	Fair value liability
	£000	£000	£000	£000	£000
Non-hedge derivatives					
<i>Equity/Index contracts</i>					
Options	58,588	1,562	63,077	5,331	-
<i>Foreign exchange contracts</i>					
Forwards (Euro)	116,603	1,499	87,514	-	2,306
Hedge derivatives					
<i>Foreign exchange contracts</i>					
Forwards (Australian dollar)	45,411	250	57,264	492	-
Forwards (Canadian dollar)	30,456	259	27,157	245	-
	251,058	3,570	235,012	6,068	2,306
Included within Equity/Index contracts are options with a contract/notional value of £17,997,000 (2018: £22,493,000), and fair value asset of £734,000 (2018: £2,348,000), which expire in greater than one year. All other derivatives in the current and prior period expire within one year.					

The notional amounts above reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of the derivative transactions. They do not reflect current market values of the open positions.

Derivative fair value assets are recognised within investments (note 35) and derivative fair value liabilities are recognised within creditors (note 39).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 Debtors

	2019 £000	2018 £000
(a) Amounts falling due within one year		
Trade debtors	107,104	93,233
Other debtors	29,759	25,597
Amounts due from related parties	87	105
Reinsurers' share of technical provisions	129,995	115,602
Accrued rent and interest	4,833	4,999
Deferred acquisition costs	38,199	33,907
Current tax recoverable	4,218	104
Other prepayments and deferred income	5,348	5,538
	<u>319,543</u>	<u>279,085</u>
(b) Amounts falling due after one year		
Trade debtors	2,000	2,000
Other debtors	1,543	1,217
Reinsurers' share of technical provisions	212,849	182,220
Deferred tax assets	3,184	2,557
Other prepayments and deferred income	67	111
	<u>219,643</u>	<u>188,105</u>
Total debtors	<u>539,186</u>	<u>467,190</u>

Trade debtors are the debtors arising from the direct insurance, insurance broking and reinsurance operations of trading subsidiaries. Where there are legal rights of set off, reinsurance debtors and creditors within the same party have been netted off to show the net debtor or creditor that will actually be settled.

The reinsurers' share of technical provisions include balances due from insurance and reinsurance companies for ceded insurance liabilities arising from the insurance business of the trading subsidiaries. Further information is provided in note 48 VII.

A reconciliation of the movement in deferred acquisition costs is presented in note 48 VI.

(c) Overdue and impaired trade debtors

There has been no significant change in the recoverability of the trading subsidiaries' trade debtors arising out of insurance and reinsurance operations, for which no collateral is held. The trustees consider that the amounts are recoverable at their carrying values, which are stated net of an allowance for doubtful debts for those debtors that are individually determined to be impaired.

The trading subsidiaries' allowance for doubtful debts includes a provision of £145,000 (2018: £168,000) in respect of debtors that are individually determined to be impaired based on an assessment of their ageing profile and credit rating at the reporting date.

Included within trade debtors is £11,557,000 (2018: £8,144,000) overdue but not impaired. Of this balance, £9,808,000 (2018: £7,013,000) is not more than three months overdue at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 Cash at bank and in hand

	Unrestricted	2019		Unrestricted	2018	
	funds	Endowment	Total	funds	Endowment	Total
	£000	£000	£000	£000	£000	£000
Short term deposits	53,088	11,407	64,495	61,486	2,103	63,589
Cash at bank and in hand	71,401	-	71,401	92,880	-	92,880
	<u>124,489</u>	<u>11,407</u>	<u>135,896</u>	<u>154,366</u>	<u>2,103</u>	<u>156,469</u>

Included within short term deposits of the trading subsidiary are cash deposits of £1,007,000 (2018: £2,299,000) pledged as collateral by way of cash margins on open derivative contracts and cash to cover derivative liabilities.

Included within cash at bank and in hand are trading subsidiary cash deposits of £3,821,000 (2018: £4,090,000) pledged as collateral by way of cash calls from reinsurers, and £17,276,000 (2018: £14,272,000) of restricted cash held on an agency basis.

39 Creditors

	2019	2018
	£000	£000
(a) Amounts falling due within one year		
Trade creditors	28,867	24,948
Other creditors	40,999	35,108
Derivative liabilities	-	2,306
Amounts due to related parties	-	1
Corporation tax	123	2,905
Accruals and deferred income	55,112	49,780
	<u>125,101</u>	<u>115,048</u>
(b) Amounts falling due after one year		
Other creditors	989	1,228
Accruals and deferred income	664	816
	<u>1,653</u>	<u>2,044</u>

Trade creditors are the creditors arising from the direct insurance and reinsurance operations of trading subsidiaries. Where there are legal rights of set off, reinsurance debtors and creditors within the same party have been netted off to show the net debtor or creditor that will actually be settled.

Deferred income arises from the operations of the trading subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 Provisions for liabilities

	2019 £000	2018 £000
Provisions for liabilities	5,063	5,978
Deferred tax liabilities	36,532	32,323
Technical provisions	684,765	638,085
Long-term business technical provisions	262,500	239,440
	988,860	915,826

All provisions relate to the trading subsidiaries.

Technical provisions and long-term business technical provisions arise on the general insurance and long-term business of the trading subsidiaries. Further details of these provisions are provided in note 48 parts VII to IX.

(a) Provisions for liabilities

	Regulatory and legal provisions £000	Contingent consideration £000	Other provisions £000	Total £000
At 1 January 2019	3,371	164	2,443	5,978
Additional provisions	4,778	-	130	4,908
Used during year	(5,512)	(141)	(94)	(5,747)
Not utilised	(72)	-	-	(72)
Exchange differences	-	-	(4)	(4)
At 31 December 2019	2,565	23	2,475	5,063
Current	2,565	23	1,626	4,214
Non-current	-	-	849	849

Regulatory provisions

The trading subsidiaries operate in the financial services industry and are subject to regulatory requirements in the normal course of business, including contributing towards any levies raised on UK general and long-term business. The provisions reflect an assessment by the trading subsidiaries of their share of the total potential levies.

In addition, from time to time the trading subsidiaries receive complaints from customers and, while the majority relate to cases where there has been no customer detriment, the trustees recognise that the trading subsidiaries have provided, and continue to provide, advice and services across a wide spectrum of regulated activities. The trustees therefore consider it prudent to hold a provision for the estimated costs of customer complaints relating to services provided. The group continues to reassess the ultimate level of complaints expected and the appropriateness of the provision, which reflects the expected redress and associated administration costs that would be payable in relation to any complaints that may be upheld.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contingent consideration

The provision for contingent consideration relates to the acquisition of certain assets of Funeral Planning Services Limited that completed in 2017 and the acquisition of certain assets of Equicover Limited as disclosed in note 31.

Other provisions

The provision for other costs relates to costs in respect of dilapidations and the amount needed to cover the future costs to administer the claims on the pre-paid funeral plans were the trading subsidiaries to cease to write new funeral plan business.

(b) Deferred tax

	2019 £000	2018 £000
At 1 January	29,766	36,431
Charged/(credited) to net income/(expenditure)	4,950	(7,610)
(Credited)/charged to other recognised gains/(losses)	(1,459)	883
Exchange differences	91	62
At 31 December	<u>33,348</u>	<u>29,766</u>

	2019 £000	2018 £000
Deferred tax assets included in debtors	3,184	2,557
Deferred tax liabilities included in provisions for liabilities	<u>(36,532)</u>	<u>(32,323)</u>
Net provision for deferred tax	<u>(33,348)</u>	<u>(29,766)</u>
Deferred tax is provided as follows:		
Unrealised investment gains	(34,972)	(28,233)
Claims equalisation provision	(1,434)	(2,204)
Retirement benefit obligations	438	(1,062)
Depreciation in excess of capital allowances	562	257
Other timing differences	<u>2,058</u>	<u>1,476</u>
Net provision for deferred tax	<u>(33,348)</u>	<u>(29,766)</u>

The group expects a net deferred tax liability of £2.2m (2018: £1.6m, net deferred tax liability) to reverse within 12 months of the year end date. The reversal is expected to arise from transitional rules regarding taxation of the claims equalisation provision, sale of investments, claiming of capital allowances, settlement of overseas claims costs, and other temporary timing differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 Retirement benefit obligations

(a) Defined contribution pension plans

The trading subsidiaries operate a number of defined contribution pension plans, for which contributions are disclosed in note 28.

(b) Defined benefit pension plans

The trading subsidiaries' main defined benefit plan is operated by EIO plc for UK employees, which includes two discrete sections, the EIO Section and the Ansvar Section. The plan closed to new entrants on 5 April 2006. The terms of the plan for future service changed in August 2011 from a non-contributory final salary scheme to a contributory scheme in which benefits are based on career average revalued earnings. The scheme closed to future accrual on 30 June 2019 in line with the announcement in the prior year. Active members in employment at 30 June 2019 retained certain enhanced benefits after the plan closed to future accrual, including benefits in relation to death in service and ill health retirement. They will also retain the link to final salary whilst they remain employed by EIO. From 1 July 2019, active members in employment joined one of the trading subsidiaries' defined contribution plans.

The assets of the main defined benefit plan are held separately from those of the trading subsidiary by the Trustee of the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund (the 'Fund'). The Fund is subject to the Statutory Funding Objective under the Pensions Act 2004. An independent qualified actuary appointed by the Trustee is responsible for undertaking triennial valuations to determine whether the Statutory Funding Objective is met. Pension costs for the plan are determined by the Trustee, having considered the advice of the actuary and having consulted with the employer. The most recent triennial valuation was at 31 December 2016. As the scheme is closed to future accrual, no contribution is expected to be paid by EIO plc in 2020 (2018: £1.3m to 30 June 2019).

Actuarial valuations of the trading subsidiaries' main defined benefit plan were reviewed and updated by an actuary at 31 December 2019 for FRS 102 purposes. The announcement of closure to future accrual from 30 June 2019 limits the maximum surplus that EIO plc can recognise in respect of the EIO Section of the Fund as it does not have an unconditional right to a refund of surplus. At 31 December 2019 the maximum surplus that could be recognised in the EIO Section is greater than the FRS 102 surplus, therefore the surplus in this Section has been recognised in full. EIO plc has an unconditional right to a refund of surplus in the Ansvar Section of the Fund which has also been recognised in full.

In the prior year, there was a High Court ruling relating to Guaranteed Minimum Pensions (GMP) equalisation of the Lloyds Bank pension scheme which has implications for the EIO section of the trading subsidiaries' main defined benefit plan. The impact of the ruling was estimated at £1.5m and presented as a past service cost in the statement of financial activities. There has been no change in the estimated impact of the ruling in the current year.

In addition to the trading subsidiaries' main defined benefit plan, Lycett, Browne-Swinburne & Douglass Limited (LBSD), also operates a defined benefit plan. The plan was closed to new members subsequent to the 1 January 2011 renewal. The most recent triennial valuation was at 1 January 2018. The contribution expected to be paid by the trading subsidiary into the plan during the next financial year is £0.3m (2018: £0.3m).

In the current year, actuarial losses arising from changes in financial assumptions of £61.9m (2018: actuarial gains of £27.9m) have been recognised in the statement of financial activities. These losses resulted from a 0.8% decrease in the discount rate assumption for both defined benefit plans, partially offset by favourable movements in inflation.

Actuarial gains of £13.6m have been recognised in the current year (2018: £0.2m) as a result of changes in demographic assumptions. This is mainly due to adopting the Continuous Mortality Investigation (CMI) 2018 projections table, in place of the CMI 2016 projections table, to determine the future improvements in mortality assumption for the trading subsidiaries' main defined benefit plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In line with common market practice, the defined benefit obligation at the end of the year is projected based on a roll forward of the liabilities in the previous triennial valuation. In the prior year, the projection for the plan operated by LBSD was based on a roll forward of the liabilities from the initial results of the triennial valuation at 1 January 2018. Experience adjustments arise from differences between actual and assumed experience. A £0.1m experience loss has been recognised in the year (2018: £3.8m loss arising from membership and other experience adjustments).

The Trustees of the trading subsidiaries' main defined benefit plan set the investment objectives and strategy for the Fund based on independent advice and in consultation with the employer. Key factors addressed in setting strategy include the Fund's liability profile, funding level and strength of employer covenant. Their key objectives are to ensure the Fund can meet members' guaranteed benefits as they fall due, reduce the risk of assets failing to meet its liabilities over the long term and manage the volatility of returns and overall funding level.

A blend of diversified growth assets (equities and property) and protection assets (bonds, gilts and cash) are deployed to balance the level of risk to that required to provide, with confidence, a sufficient return and liquidity to continue to meet members' obligations as they fall due. The trustees of the plan have identified the key risks faced by the Fund in meeting this objective to be falls in bond yields and rising inflation.

Assets in the trading subsidiaries' main defined benefit plan include an LDI ('Liability Driven Investments') portfolio, structured to increase in value with decreases in interest rates and grow in line with inflation expectations. This is estimated currently to hedge 60% of the interest rate and inflation rate risk of the guaranteed benefits of the Fund. Exposure of the Fund's assets to interest rates and inflation counter-balances exposure of the Fund's liabilities to these factors and has reduced, but not eliminated, volatility in the funding position.

The Trustees of the trading subsidiaries' main defined benefit plan will proceed to undertake further analysis and review of the Fund's investment strategy in the first half of 2020, informed by refreshed benefits and cashflow projections prepared for the triennial valuation as at 31 December 2019 and reflecting the closure to future accrual during 2019. Their aim is to establish a Long Term Funding Target in line with guidance from the Pensions Regulator. The Trustees of the plan intend that this long term target will be reached through investment performance only and without requiring further contributions from the employer

	2019 £000	2018 £000
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	(388,115)	(340,281)
Fair value of plan assets	391,642	352,415
	<u>3,527</u>	<u>12,134</u>
Restrictions on asset recognised	-	-
Net asset in the balance sheet	<u>3,527</u>	<u>12,134</u>
The following is the analysis of the net pension asset for financial reporting purposes:		
Net pension asset	8,505	16,131
Net pension liability	(4,978)	(3,997)
	<u>3,527</u>	<u>12,134</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2019 £000	2018 £000
The amounts recognised in the consolidated statement of financial activities are as follows:		
Current service cost	2,383	4,425
Administration cost	493	438
Interest income on plan assets	(9,377)	(8,910)
Interest cost on scheme liabilities	9,023	8,498
Past service cost	-	1,548
Total, included in expenditure arising from trading activities*	<u>2,522</u>	<u>5,999</u>
The amounts recognised in actuarial gains on retirement benefits are as follows:		
Return on plan assets, excluding interest income	40,740	(24,996)
Experience losses on liabilities	(91)	(3,849)
Gains from changes in demographic assumptions	13,569	249
(Losses)/gains from changes in financial assumptions	<u>(61,896)</u>	<u>27,896</u>
	<u>(7,678)</u>	<u>(700)</u>
* Charge to net income/(expenditure) includes £289,000 (2018: £590,000) in respect of member salary sacrifice contributions.		

The movements in the fair value of plan assets and the present value of the defined benefit obligations over the year are as follows:

	2019	2018
Plan assets		
At 1 January	352,415	374,017
Interest income	9,377	8,910
Return on plan assets, excluding interest income	40,740	(24,996)
Pension benefits paid and payable	(12,484)	(8,498)
Contributions paid	1,593	2,975
Employee contributions	61	63
Administrative expenses	(60)	(56)
At 31 December	<u>391,642</u>	<u>352,415</u>
Defined benefit obligation		
At 1 January	340,281	358,159
Current service cost	2,383	4,425
Administration cost	433	382
Past service cost	-	1,548
Interest cost	9,023	8,498
Pension benefits paid and payable	(12,484)	(8,498)
Employee contributions	61	63
Experience losses on liabilities	91	3,849
Gains from changes in demographic assumptions	(13,569)	(249)
Losses/(gains) from changes in financial assumptions	<u>61,896</u>	<u>(27,896)</u>
At 31 December	<u>388,115</u>	<u>340,281</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The principal actuarial assumptions (expressed as weighted averages) were as follows:

	2019	2018
	%	%
Discount rate	1.90	2.70
Inflation (RPI)	2.99	3.20
Inflation (CPI)	2.30	2.20
Future salary increases	4.22	4.13
Future increase in pensions in deferment	2.37	2.29
Future average pension increases (RPI)	2.80	3.00
Future average pension increases (CPI)	1.50	1.50

	2019	2018
Mortality rate		
The average life expectancy in years of a pensioner retiring at age 65, at the balance sheet date, is as follows:		
Male	22.4	23.1
Female	23.9	24.6
The average life expectancy in years of a pensioner retiring at age 65, 20 years after the balance sheet date, is as follows:		
Male	24.0	24.8
Female	25.7	26.3

	2019	2018
	£000	£000
Plan assets are as follows:		
Cash and other*	24,221	24,982
Equity instruments		
UK quoted	97,063	80,334
UK unquoted	270	125
Overseas quoted	81,667	73,027
	<u>179,000</u>	<u>153,486</u>
Liability driven investments	41,781	37,857
Debt instruments		
UK public sector quoted - fixed interest	2,411	2,440
UK non-public sector quoted - fixed interest	72,306	66,006
UK quoted - index-linked	24,232	23,351
	<u>98,949</u>	<u>91,797</u>
Derivative financial instruments	2,396	(1,981)
Property	43,659	44,702
Other	1,636	1,572
	<u>391,642</u>	<u>352,415</u>

*Cash and other includes accrued income, prepayments and other debtors and creditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The actual return on pension plan assets was a gain of £50,117,000 (2018: loss of £16,086,000).

The underlying assets of the liability driven investments are primarily UK government bonds and interest rate repurchase agreements at various rates and terms.

The fair value of unquoted securities is measured using inputs for the asset that are not based on observable market data. For the trading subsidiaries' main plan, the fair value is estimated and approved by the Trustee based on the advice of investment managers. Property is valued annually by independent qualified surveyors using standard industry methodology to determine a fair market value. All other investments either have a quoted price in active markets or are valued based on observable market data.

(c) Post-employment medical benefits

EIO plc operates a post-employment medical benefit plan, for which it chooses to self-insure. The method of accounting, assumptions and the frequency of valuation are similar to those used for the defined benefit pension plans.

The amounts recognised in the balance sheet are determined as follows:

	2019 £000	2018 £000
Present value of unfunded obligations and net obligations in the balance sheet	5,998	5,813
Movements in the net obligations recognised in the balance sheet are as follows:		
At 1 January	5,813	10,932
Total expense charged to net income/(expenditure)	154	259
Net actuarial losses/(gains) during the year, recognised in other comprehensive income	238	(5,262)
Benefits paid	(207)	(116)
At 31 December	5,998	5,813
The amounts recognised through net income/(expenditure) are as follows:		
Interest cost	154	259
Total, included in employee benefits expense	154	259

The weighted average duration of the net obligations at the end of the reporting period is 13.3 years (2018: 13.5 years)

An actuarial loss of £473,000 has been recognised in the current year due to changes in financial assumptions, primarily due to the fall in discount rate. An actuarial gain of £235,000 has been recognised due to changes in demographic assumptions as explained in relation to the trading subsidiaries' main defined benefit plan. In the prior year, an actuarial review of the assumptions used to measure the net obligation for post-employment medical benefits was carried out. As a result of this review, the methodology for setting the medical cost inflation assumption was revised, generating an actuarial gain of £1,760,000. An experience gain of £3,269,000 was recognised as a result of updating for actual scheme experience.

The principal actuarial assumptions were as follows:	2019 %	2018 %
Discount rate	1.9	2.7
Medical cost inflation	7.0	7.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

42 Summary of reserve movements

	Unrestricted funds		Endowment	Revaluation	Non-charitable	Translation	Total
	General	Designated	fund	reserve	trading reserve	and hedging	
	fund	fund	fund	reserve	reserve	reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Fund balance at 1 January 2019	19,395	-	85,706	640	445,455	19,011	570,207
Income	771	4,500	3,704	-	358,699	-	367,674
Gift aid paid to charity parent	30,000	-	-	-	(30,000)	-	-
Expenditure	(18,609)	-	(332)	-	(328,452)	-	(347,393)
Fair value gains on investments	-	-	10,366	-	40,891	-	51,257
Taxation	-	-	(65)	-	(6,683)	-	(6,748)
Net reserve transfers	(14,922)	4,879	10,043	-	-	-	-
Currency translation differences	-	-	-	-	-	(1,371)	(1,371)
Gains on net investment hedges	-	-	-	-	-	640	640
Actuarial losses on retirement benefit obligations	-	-	-	-	(7,916)	-	(7,916)
Tax attributable to other recognised (losses)/gains	-	-	-	-	1,349	(19)	1,330
Minority interests	-	-	-	-	(8,891)	-	(8,891)
Fund balance at 31 December 2019	16,635	9,379	109,422	640	464,452	18,261	618,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Unrestricted fund £000	Endowment fund £000	Revaluation reserve £000	Non-charitable trading reserve £000	Translation and hedging reserve £000	Total £000
Fund balance at 1 January 2018	19,918	88,145	553	452,847	20,588	582,051
Income	1,695	3,297	-	339,023	-	344,015
Gift aid paid to charity parent	17,000	-	-	(17,000)	-	-
Expenditure	(17,708)	(307)	-	(294,744)	-	(312,759)
Fair value losses on investments	-	(6,896)	-	(30,842)	-	(37,738)
Taxation	-	(43)	-	1,644	-	1,601
Net reserve transfers	(1,510)	1,510	-	-	-	-
Gains on revaluation of fixed assets	-	-	105	-	-	105
Currency translation differences	-	-	-	-	(3,082)	(3,082)
Gains on net investment hedges	-	-	-	-	1,692	1,692
Actuarial gains on retirement benefit obligations	-	-	-	4,562	-	4,562
Tax attributable to other recognised (losses)/gains	-	-	(18)	(788)	(187)	(993)
Minority interests	-	-	-	(8,922)	-	(8,922)
Acquisition of minority interests	-	-	-	(325)	-	(325)
Fund balance at 31 December 2018	19,395	85,706	640	445,455	19,011	570,207

The unrestricted fund consists of funds available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities it has adopted as set out in the Strategic Report on pages 10-11.

The designated fund consists of funds that have been designated by the trustees for the furtherance of purposes or projects of or relating to the Methodist Church. The source of these funds is the donations that the charity receives from Methodist Insurance PLC (see note 3). During the year, the trustees designated £4,863,000 previously held in the general unrestricted fund.

The endowment fund is an expendable endowment fund that is retained to strengthen the charity's reserves and provide diversification of the charity's assets. The trustees have the power to convert endowment funds to expendable income.

The revaluation reserve represents the cumulative net fair value gains on the trading subsidiaries' freehold property

43 Translation and hedging reserve

	Translation reserve £000	Hedging reserve £000	Total £000
At 1 January 2019	14,880	4,131	19,011
Losses on currency translation differences	(1,371)	-	(1,371)
Gains on net investment hedges	-	640	640
Attributable tax	-	(19)	(19)
At 31 December 2019	13,509	4,752	18,261

The translation reserve arises on consolidation of the group's foreign operations. The hedging reserve represents the cumulative amount of gains and losses on hedging instruments in respect of the trading subsidiaries' net investments in foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 Minority interests

Minority interests comprise 96.8% (2018: 96.8%) of the 106,450,000 (2018: 106,450,000) 8.625% Non-cumulative Irredeemable Preference shares (NciPs) in Ecclesiastical Insurance Office plc.

The charity's direct subsidiary, EIG plc, did not acquire any NciPs during 2019. Through the course of 2018, the charity's direct subsidiary, EIG plc, acquired NciPs with a nominal value of £710,000 for a cash consideration of £1,035,000, paid to minority interest shareholders.

45 Financial commitments

Capital commitments

At the year end, the group had capital commitments of £2,559,000 (2018: £8,712,000) relating to computer software and no capital commitments (2018: £1,207,000) relating to office equipment. The charity had no capital commitments in the current and prior year.

Operating lease commitments

Amounts receivable

The trading subsidiaries lease premises under non-cancellable operating lease agreements. The future aggregate minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2019 £000	2018 £000
Within 1 year	8,234	8,019
Between 1 & 5 years	27,121	25,946
After 5 years	29,065	32,478
	<u>64,420</u>	<u>66,443</u>

Amounts payable

The trading subsidiaries lease premises and equipment under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2019 £000	2018 £000
Within 1 year	4,831	3,848
Between 1 & 5 years	16,945	11,802
After 5 years	20,570	6,036
	<u>42,346</u>	<u>21,686</u>
Operating lease rentals charged to net income/expenditure in the period	3,558	3,908
Total future minimum sublease payments expected to be received under non-cancellable subleases	383	506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

46 Related undertakings

The charity's interest in related undertakings at 31 December 2019 is as follows:

Company	Company Registration Number	Share Capital	Holding of Charity	Subsidiary	Activity
Subsidiary undertakings					
Incorporated in the United Kingdom					
Ecclesiastical Insurance Group plc *	1718196	Ordinary	100%	-	Investment holding company
Ecclesiastical Insurance Office plc *	24869	Ordinary	-	100%	Insurance
		Preference	-	3.2%	
Ecclesiastical Investment Management Limited * ^	1811698	Ordinary	-	100%	Dormant company
Ecclesiastical Life Limited *	0243111	Ordinary	-	100%	Life insurance
Ecclesiastical Financial Advisory Services Limited *	2046087	Ordinary	-	100%	Independent financial advisory
Ecclesiastical Planning Services Limited *	02644860	Ordinary	-	100%	Funeral plan administration
Ecclesiastical Underwriting Management Limited *	02368571	Ordinary	-	100%	Insurance management services
EdenTree Asset Management Limited *	11923964	Ordinary	-	100%	Investment management
EdenTree Investment Management Limited *	2519319	Ordinary	-	100%	Investment management
E.I.O. Trustees Limited * ^	0941199	Ordinary	-	100%	Trustee company
Ecclesiastical Group Healthcare Trustees Limited *	10988127	Ordinary	-	100%	Trustee company
Farmers & Mercantile Insurance Brokers Limited **	03142714	Ordinary	-	100%	Insurance agents and brokers
Lycett, Browne-Swinburne & Douglass Limited **	00706042	Ordinary	-	100%	Insurance agents and brokers
Lycetts Financial Services Limited **	02057974	Ordinary	-	100%	Insurance agents and brokers
Lycetts Holdings Limited **	05866203	Ordinary	-	100%	Investment holding company
Lycetts Risk Management Services Limited ** ^^	10906990	Ordinary	-	100%	Risk management services
Robertson-McIsaac Limited** ^^	03544899	Ordinary	-	100%	Insurance agents and brokers
South Essex Insurance Brokers Limited *	6317314	Ordinary	-	100%	Insurance agents and brokers
South Essex Insurance Holdings Limited *	6317313	Ordinary	-	100%	Investment holding company
Incorporated in Australia					
Ansvar Insurance Limited ***	007216506	Ordinary	-	100%	Insurance
Ansvar Risk Management Services Pty Limited ***	623695054	Ordinary	-	100%	Risk management services
Ansvar Insurance Services Pty Limited *** †	162612286	Ordinary	-	100%	Dormant company
Associated undertakings					
Incorporated in the United Kingdom					
Lloyd & Whyte Group Limited****	01143899	Ordinary	-	20%	Insurance agents and brokers
<p>* Registered office: Beaufort House, Brunswick Road, Gloucester, GL1 1JZ, United Kingdom</p> <p>** Registered office: Milburn House, Dean Street, Newcastle upon Tyne, NE1 1PP, United Kingdom</p> <p>*** Registered office: Level 5, Southbank Boulevard, Melbourne, VIC 3006, Australia</p> <p>**** Registered office: Affinity House, Bindon Road, Taunton, Somerset, TA2 6AA</p> <p>^ Exempt from audit under s480 of the Companies Act 2006</p> <p>^^ Exempt from audit under s479 of the Companies Act 2006</p> <p>† Exempt from audit</p> <p>The holding in Lloyd & White Group Limited is included within financial investments.</p>					

The financial statements of Ecclesiastical Insurance Office plc and Ecclesiastical Insurance Group plc, the parent companies of the main trading groups, are publicly available, therefore a detailed analysis of their results is not presented here. Copies of the financial statements are available from the registered office as shown on page 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 Related party transactions

Other related parties of the group include associated undertakings and the group's pension plans.

	2019	2018
	£000	£000
Income from transactions with other related parties	1,219	973
Expenditure arising from transactions with other related parties	5,692	-
Amounts owed by other related parties	87	105
Amounts due to other related parties	-	1

Transactions with other related parties in the current year consists of investment management fee income, interest income and loans to related parties.

48 Financial risk and insurance disclosures in respect of trading subsidiaries

I. Fair value hierarchy

The fair value measurement basis used to value those financial assets and financial liabilities held at fair value is categorised into a fair value hierarchy as follows:

Level 1: fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes listed equities in active markets, listed debt securities in active markets and exchange-traded derivatives.

Level 2: fair value measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes listed debt or equity securities in a market that is not active and derivatives that are not exchange-traded.

Level 3: fair values measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes unlisted debt and equities, including investments in venture capital, and suspended securities. Where a look-through valuation approach is applied, underlying net asset values are sourced from the investee, translated into the group's functional currency and adjusted to reflect illiquidity where appropriate, with the fair values disclosed being directly sensitive to this input.

There have been no transfers between investment categories in the current year.

Analysis of fair value measurement bases	Fair value measurement at the end of the reporting period based on			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
At 31 December 2019				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	289,164	190	77,803	367,157
Debt securities	490,912	1,200	404	492,516
Derivatives	-	3,061	-	3,061
	780,076	4,451	78,207	862,734
Financial assets at fair value through other recognised gains/(losses)				
Derivatives	-	509	-	509
	-	509	-	509
Total financial assets at fair value	780,076	4,960	78,207	863,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Analysis of fair value measurement bases	Fair value measurement at the end of the reporting period based on			Total £000
	Level 1	Level 2	Level 3	
	£000	£000	£000	
At 31 December 2018				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	241,115	246	52,099	293,460
Debt securities	495,348	1,233	261	496,842
Derivatives	-	5,331	-	5,331
	736,463	6,810	52,360	795,633
Financial assets at fair value through other recognised gains/(losses)				
Derivatives	-	737	-	737
	-	737	-	737
Total financial assets at fair value through profit or loss	736,463	7,547	52,360	796,370

The derivative liabilities of the trading subsidiaries are measured at fair value through the statement of financial activities and are categorised as level 2 (see note 36).

The valuation techniques used for instruments categorised in levels 2 and 3 are described below.

Listed debt and equity securities not in active market (level 2)

These financial assets are valued using third-party pricing information that is regularly reviewed and internally calibrated based on management's knowledge of the markets.

Non-exchange-traded derivative contracts (level 2)

The trading subsidiaries' derivative contracts are not traded in active markets. Foreign currency forward contracts are valued using observable forward exchange rates corresponding to the maturity of the contract and the contract forward rate. Over-the-counter equity or index options and futures are valued by reference to observable index prices.

Unlisted equity securities (level 3)

These financial assets are valued using observable net asset data, adjusted for unobservable inputs including comparable price-to-book ratios based on similar listed companies, and management's consideration of constituents as to what exit price might be obtainable.

The valuation is sensitive to the level of underlying net assets, the Euro exchange rate, the price-to-book ratio chosen, an illiquidity discount and a credit rating discount applied to the valuation to account for the risks associated with holding the asset. If the illiquidity discount and credit rating discount applied changes by +/-10%, the value of unlisted equity securities could move by +/-£9m (2018: +/-£6m).

Unlisted debt (level 3)

Unlisted debt is valued using an adjusted net asset method whereby management uses a look-through approach to the underlying assets supporting the loan, discounted using observable market interest rates of similar loans with similar risk, and allowing for unobservable future transaction costs.

The valuation is most sensitive to the level of underlying net assets, but it is also sensitive to the interest rate used for discounting and the projected date of disposal of the asset, with the exit costs sensitive to an expected return on capital of any purchaser and estimated transaction costs. Reasonably likely changes in unobservable inputs used in the valuation would not have a significant impact on total funds or on net income/(expenditure).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

II. Financial risk and capital management

The principal financial risks to which the trading subsidiaries are exposed arise from the financial assets, financial liabilities, reinsurance assets and reinsurance liabilities of the trading subsidiaries.

There has been no change from the prior period in the nature of the financial risks to which the trading subsidiaries are exposed. Brexit has continued to result in greater uncertainty in relation to the economic risks to which the trading subsidiaries are exposed, including equity price volatility, movements in exchange rates and long-term UK growth prospects. The group's management and measurement of financial risks is informed by either stochastic modelling or stress testing techniques.

(a) Credit risk

Credit risk is the risk of non-payment of obligations by counterparties and financial markets borrowers. Areas where the trading subsidiaries are exposed to credit risk are:

- counterparty default on loans and debt securities;
- deposits held with banks;
- reinsurers' share of general insurance technical provisions (excluding provision for unearned premiums) and amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance intermediaries and policyholders; and
- the carrying value of whole-of-life assurance policies, purchased by the trading subsidiaries from independent, third party, life insurance companies, to meet the trading subsidiaries' obligations in respect of funeral plans sold.

The trading subsidiaries are exposed to minimal credit risk in relation to all other financial assets.

The carrying amount of financial and reinsurance assets represents the trading subsidiaries' maximum exposure to credit risk. The trading subsidiaries structure the levels of credit risk they accept by placing limits on their exposure to a single counterparty. Limits on the level of credit risk are regularly reviewed. The trading subsidiaries also manage their exposure to credit risk in relation to credit risk ratings. Investment grade financial assets are classified within the range of AAA to BBB ratings, where AAA is the highest possible rating. Financial assets which fall outside this range are classified as sub-investment grade. 'Not rated' assets capture assets not rated by external agencies.

The trading subsidiaries' cash balances are regularly reviewed to identify the quality of the counterparty bank and to monitor and limit concentrations of risk.

The debt securities portfolio consists of a range of mainly fixed interest instruments including government securities, local authority issues, corporate loans and bonds, overseas bonds, preference shares and other interest-bearing securities. Limits are imposed on the credit ratings of the corporate bond portfolio and exposures regularly monitored. Trading subsidiaries' investments in unlisted securities represent less than 1% of this category in the current and prior year.

Reinsurance is used to manage insurance risk. This does not, however, discharge the trading subsidiaries' liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the trading subsidiaries remain liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on a regular basis through the year by reviewing their financial strength.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A detailed breakdown of the trading subsidiaries' current debt securities, reinsurance debtors and cash credit exposure based on Standard & Poor's or equivalent rating from a similar agency is presented below.

	At 31 December 2019			At 31 December 2018		
	Debt	Reinsurance	Cash*	Debt	Reinsurance	Cash*
	securities £000	debtors £000		securities £000	debtors £000	
AAA	113,359	-	-	126,227	-	-
AA	138,341	1,286	19,759	142,426	2,788	23,316
A	132,419	8,856	18,438	115,026	8,058	59,496
BBB	89,563	3	65,070	91,471	3	61,079
Below BBB	9,537	-	-	12,197	-	92
Not rated	9,296	1,032	76	9,495	763	48
	492,515	11,177	103,343	496,842	11,612	144,031

*Cash includes amounts held on deposit classified within financial investments and disclosed in note 35. Cash balances which are not rated include cash amounts in hand.

The trading subsidiaries' credit risk policies detail prescriptive methods for the collection of premiums and control of intermediary and policyholder debtor balances. The level and age of debtor balances are regularly assessed via monthly credit management reports. These reports are scrutinised to assess exposure by geographical region and counterparty of aged or outstanding balances. The trading subsidiaries have no material concentration of credit risk in respect of amounts due from insurance intermediaries and policyholders.

Purchase of a whole-of-life assurance policy does not discharge the trading subsidiaries' liability to provide a funeral. If a third party life insurance company fails to pay a claim on notification of death of the insured life, for any reason, the trading subsidiaries remain liable for the funeral fee payable to the funeral director. The trading subsidiaries purchase life assurance policies from reputable, authorised life insurance companies, which are regulated by the PRA and FCA, and considers the risk of non-payment to be remote.

(b) Liquidity risk

Liquidity risk is the risk that funds may not be available to pay obligations when due. The trading subsidiaries are exposed to daily calls on their available cash resources mainly from claims arising from insurance contracts. The trading subsidiaries have robust processes in place to manage liquidity risk and have available cash balances, other readily marketable assets and access to funding in case of exceptional need. This is not considered to be a significant risk to the group.

A maturity analysis for the non-derivative net financial liabilities of the trading subsidiaries' long-term business liabilities is as follows:

	Maturing:			Total £000
	Within 1 year £000	Between 1 & 5 years £000	After 5 years £000	
At 31 December 2019				
Gross long-term business provision	20,430	69,404	172,666	262,500
Ceded long-term business provision	(14,913)	(50,181)	(118,194)	(183,288)
Net long-term business provision	5,517	19,223	54,472	79,212
At 31 December 2018				
Gross long-term business provision	18,541	63,102	157,797	239,440
Ceded long-term business provision	(12,813)	(43,114)	(101,549)	(157,476)
Net long-term business provision	5,728	19,988	56,248	81,964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Market risk

The trading subsidiaries are exposed to market risk (comprising interest rate, currency and equity price risk). The sensitivity of net income/(expenditure) and reserves to movements in market risk variables, each considered in isolation and before the mitigating effect of derivatives, is shown in the table below. This table does not include the impact of variables on retirement benefit schemes.

Variable	Change in variable	Potential increase/ (decrease) in net income/(expenditure)		Potential changes in funds	
		2019 £000	2018 £000	2019 £000	2018 £000
Interest rate risk	-100 basis points	(5,796)	(4,730)	(25)	-
	+100 basis points	3,488	2,799	37	(3)
Currency risk	-10%	7,401	5,523	7,628	7,613
	+10%	(6,055)	(4,519)	(6,241)	(6,229)
Equity price risk	+/- 10%	29,740	23,770	-	-

The following assumptions have been made in preparing the above sensitivity analysis:

- the value of fixed income investments will vary inversely with changes in interest rates, and all territories experience the same interest rate movement;
- currency gains and losses will arise from a change in the value of Sterling against all other currencies moving in parallel;
- equity prices will move by the same percentage across all territories; and
- change in net income/(expenditure) is stated net of tax at the standard rate applicable in each of the territories in which the trading subsidiaries operate.

(i) Interest rate risk

The trading subsidiaries' exposure to interest rate risk arises primarily from movements on financial investments that are measured at fair value and have fixed interest rates, which represent a significant proportion of the group's assets, and from those insurance liabilities of the trading subsidiaries for which discounting is applied at a market interest rate. Investment strategy is set in order to control the impact of interest rate risk on anticipated trading subsidiary cash flows and asset and liability values. The fair value of the trading subsidiaries' investment portfolio of fixed income securities reduces as market interest rates rise as does the present value of discounted insurance liabilities, and vice versa.

Interest rate risk concentration is reduced by adopting asset-liability duration matching principles where appropriate.

For funeral plans sold by the trading subsidiaries, where the trading subsidiaries also provide the whole-of-life assurance policy backing the plan, benefits payable to policyholders are independent of the returns generated by interest-bearing assets held by the trading subsidiaries. Therefore the interest rate risk on the invested assets supporting these liabilities is borne by the trading subsidiaries. This risk is mitigated by purchasing fixed interest investments with durations that match the profile of the liabilities. For funeral plan policies, benefits are linked to the Retail Price Index (RPI). Assets backing these liabilities are also linked to the RPI, and include index-linked gilts and corporate bonds. For practical purposes it is not possible to exactly match the durations due to the uncertain profile of liabilities (e.g. mortality risk) and the availability of suitable assets, therefore some interest rate risk will persist. The trading subsidiaries monitor their exposure by comparing projected cash flows for these assets and liabilities and making appropriate adjustments to its investment portfolio.

Where the trading subsidiaries invest funeral plan funds in a whole-of-life assurance policy with an independent, third party, life insurance company, the trading subsidiaries have no net exposure to interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Currency risk

Foreign exchange risk arises from recognised assets and liabilities denominated in other currencies and net investments in foreign operations. The trading subsidiaries mitigate this risk through the use of derivatives when considered necessary.

The trading subsidiaries exposure to foreign currency risk within the investment portfolios arises from purchased investments that are denominated in currencies other than Sterling.

The foreign operations of the trading subsidiaries create two sources of foreign currency risk:

- the operating results of the foreign branches and subsidiaries in the group financial statements are translated at the average exchange rates prevailing during the period; and
- the equity investment in foreign branches and subsidiaries is translated into sterling using the exchange rate at the year-end date.

The trading subsidiaries have designated certain derivatives as a hedge of their net investments in Canada and Australia, which have Canadian and Australian Dollars respectively as their functional currency. The forward foreign currency risk arising on translation of these foreign operations is hedged by the derivatives which are detailed in note 36.

The largest currency exposures, before the mitigating effect of derivatives, with reference to net assets/(liabilities) are shown below, representing effective diversification of resources:

	2019		2018
	£000		£000
Euro	76,391	Euro	50,374
Aus \$	41,970	Aus \$	47,884
Can \$	33,724	Can \$	31,024
USD \$	1,282	NZ \$	1,046
HKD \$	176	USD \$	538

The figures in the table above, for the current and prior years, do not include currency risk that the trading subsidiaries are exposed to on a 'look through' basis in respect of collective investment schemes denominated in Sterling. The trading subsidiaries enter into derivatives to hedge currency exposure, including exposures on a 'look through' basis. The open derivatives held by the trading subsidiaries at the year end to hedge currency exposures are detailed in note 36.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Equity price risk

Equity price risk exists because of financial investments held by the trading subsidiaries which are stated at fair value through profit and loss. The trading subsidiaries mitigate this risk by holding a diversified portfolio across geographical regions and market sectors, and through the use of derivative contracts from time to time which would limit losses in the event of a fall in equity markets.

The concentration of equity price risk by geographical listing, before the mitigating effect of derivatives, to which the trading subsidiaries are exposed is as follows:

	2019 £000		2018 £000
UK	289,815	UK	241,116
Europe	77,152	Europe	52,148
Hong Kong	190	Hong Kong	197
Total	<u>367,157</u>	Total	<u>293,461</u>

(d) Capital management

The group's primary objectives when managing capital are to:

- comply with the regulators' capital requirements of the markets in which the trading subsidiaries operate; and
- safeguard the group's ability to continue to meet stakeholders' expectations in accordance with the charity's objectives.

The trading subsidiaries are subject to insurance solvency regulations in all the territories in which they issue insurance and investment contracts, and capital is managed and evaluated on the basis of both regulatory and economic capital.

The UK regulated subsidiaries are required to comply with rules issued by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The PRA expects a firm, at all times, to hold Solvency II Own Funds in excess of its calculated Solvency Capital Requirement (SCR). Both quarterly and annual quantitative returns are submitted to the PRA, in addition to an annual narrative report, the Solvency and Financial Condition Report (SFCR) which is published on Ecclesiastical's website. A further report, the Regular Supervisory Report (RSR) is periodically submitted to the PRA.

The EIG figures in the table below are unaudited and based on the latest information provided to management. The prior year figures in the table below are the final audited figures as disclosed in EIG's SFCRs, available on the EIG plc website. These differ from the figures reported last year as they were estimated based on information available to management at the time the accounts were signed.

EIG's Solvency II Own Funds will be subject to a separate independent audit, as part of the trading subsidiaries' process for Solvency II reporting to the PRA. The SCR will not be subject to audit as it is calculated using an internal model which has been approved for use by the PRA. EIG plc expects to meet the PRA's revised deadline for submission to the PRA of 14 July 2020, and its SFCR will be made available on its website shortly after.

	2019 (unaudited) £000	2018 (unaudited*) £000
Solvency II Own Funds	534,651	523,990
Solvency Capital Requirement	(282,823)	(274,021)
Own Funds in excess of Solvency Capital Requirement	<u>251,828</u>	<u>249,969</u>
Solvency II Capital Cover	189%	191%

*Unaudited with the exception of the Group's Solvency II own funds

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III. Insurance risk

Through the general insurance and long-term insurance operations of the trading subsidiaries, the group is exposed to a number of insurance risks. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount and timing of the resulting claim. Factors such as the business and product mix, the external environment including market competition and reinsurance capacity all may vary from year to year, along with the actual frequency, severity and ultimate cost of claims and benefits. This subjects the trading subsidiaries to underwriting and pricing risk (the risk of failing to ensure disciplined risk selection and obtain the appropriate premium), claims reserving risk (the risk of actual claims payments exceeding the amount being held in technical provisions) and reinsurance risk (the risk of failing to access and manage reinsurance capacity at a reasonable price).

More detailed information relating to the insurance risk arising from the trading subsidiaries can be found in note 3 of the EIO plc annual report and accounts, which is available from the registered office on page 6.

(i) Risk mitigation

Statistics demonstrate that the larger and more diversified the portfolio of insurance contracts, the smaller the relative variability in the expected outcome will be. The trading subsidiaries' underwriting strategy is designed to ensure that the underwritten risks are well diversified in terms of type and amount of risk and geographical spread. Gross and net underwriting exposure is protected through the use of a comprehensive reinsurance programme supported by proactive claims handling.

(ii) Concentrations of risk

Below is a table summarising written premiums for the financial year, before and after reinsurance, by territory and by class of business:

Group		General insurance				Long-term insurance	Total
		Property	Liability	Miscellaneous financial loss	Other	Funeral plans	
Territory		£000	£000	£000	£000	£000	£000
2019							
United Kingdom and Ireland	Gross	185,567	56,323	15,534	3,227	31,889	292,540
	Net	100,233	53,773	9,147	622	(13)	163,762
Australia	Gross	42,331	24,412	1,245	869	-	68,857
	Net	5,083	21,053	1,198	170	-	27,504
Canada	Gross	44,079	20,378	-	-	-	64,457
	Net	30,902	18,898	-	-	-	49,800
Total	Gross	271,977	101,113	16,779	4,096	31,889	425,854
	Net	136,218	93,724	10,345	792	(13)	241,066
2018							
United Kingdom and Ireland	Gross	172,191	53,949	16,922	2,784	37,006	282,852
	Net	92,337	51,490	10,657	645	21	155,150
Australia	Gross	34,681	20,141	1,115	1,009	-	56,946
	Net	3,550	17,289	1,073	169	-	22,081
Canada	Gross	36,560	17,598	-	-	-	54,158
	Net	25,854	16,246	-	-	-	42,100
Total	Gross	243,432	91,688	18,037	3,793	37,006	393,956
	Net	121,741	85,025	11,730	814	21	219,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV. Net insurance premium income

	General insurance £000	Long-term insurance £000	Total £000
For the year ended 31 December 2019			
Gross written premiums	393,965	31,889	425,854
Outward reinsurance premiums	(152,886)	(31,902)	(184,788)
Net written premiums	241,079	(13)	241,066
Change in the gross provision for unearned premiums	(23,829)	-	(23,829)
Change in the provision for unearned premiums, reinsurers' share	8,749	-	8,749
Change in the net provision for unearned premiums	(15,080)	-	(15,080)
Earned premiums, net of reinsurance	225,999	(13)	225,986
For the year ended 31 December 2018			
Gross written premiums	356,950	37,006	393,956
Outward reinsurance premiums	(137,640)	(36,985)	(174,625)
Net written premiums	219,310	21	219,331
Change in the gross provision for unearned premiums	(11,005)	-	(11,005)
Change in the provision for unearned premiums, reinsurers' share	5,764	-	5,764
Change in the net provision for unearned premiums	(5,241)	-	(5,241)
Earned premiums, net of reinsurance	214,069	21	214,090

Earned premiums net of reinsurance are included in the income arising from trading activities in the statement of financial activities.

V. Fees, commissions and other acquisition costs arising from insurance business

	2019 £000	2018 £000
Fees paid	1,893	1,849
Commission paid	61,303	54,768
Change in deferred acquisition costs	(4,553)	(3,078)
Other acquisition costs	15,145	13,858
Fees, commissions and other acquisition costs	73,788	67,397

Fees, commissions and other acquisition costs are included in expenditure arising from trading activities in the statement of financial activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

VI. Deferred acquisition costs

	2019 £000	2018 £000
At 1 January	33,907	31,267
Increase in the period	38,529	34,041
Release in the period	(33,976)	(30,963)
Exchange differences	(261)	(438)
At 31 December	38,199	33,907
All balances are current.		

Deferred acquisition costs are included in debtors in the balance sheet (note 37).

VII. General insurance liabilities and reinsurance assets

	2019 £000	2018 £000
Gross		
Claims outstanding	481,669	457,319
Unearned premiums	203,096	180,766
Total gross insurance liabilities	684,765	638,085
Recoverable from reinsurers		
Claims outstanding	89,982	78,731
Unearned premiums	69,574	61,615
Total reinsurers' share of insurance liabilities	159,556	140,346
Net		
Claims outstanding	391,687	378,588
Unearned premiums	133,522	119,151
Total net insurance liabilities	525,209	497,739
Gross Insurance liabilities		
Current	349,461	316,064
Non-current	335,304	322,021
Reinsurance assets		
Current	115,082	102,788
Non-current	44,474	37,558

Gross insurance liabilities, also referred to as technical provisions are included in provisions for liabilities (note 40). Reinsurers' share of insurance liabilities is included in debtors (note 37).

(i) Reserving methodology

Reserving for general business insurance claims is a complex process and the trading subsidiaries adopt recognised actuarial methods and, where appropriate, other calculations and statistical analysis. Actuarial methods used include the chain ladder, Bornhuetter-Ferguson and average cost methods.

(ii) Uncertainty margin

To reflect the uncertain nature of the outcome of the ultimate settlement cost of claims, an uncertainty margin is added to the best estimate. The addition for uncertainty is assessed using actuarial methods including the Mack method and Bootstrapping techniques, based on at least the 75th percentile confidence level for each portfolio. For smaller portfolios, where these methods cannot be applied, provisions are calculated at a level intended to provide an equivalent probability of sufficiency.

(iii) Calculation of provisions for latent claims

The trading subsidiaries adopt commonly used industry methods including those based on claims frequency and severity and benchmarking.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iv) Discounting

General insurance outstanding claims provisions are undiscounted, except for designated long-tail classes of business for which discounted provisions are held in the following territories:

Geographical territory	Discount rate		Mean term of discounted liabilities (years)	
	2019	2018	2019	2018
UK and Ireland	1.3% to 2.2%	1.8% to 3.0%	17	17
Canada	1.9% to 2.0%	2.2% to 2.7%	12	15
Australia	1.2%	2.3%	4	5

At the end of the year the undiscounted gross outstanding claims provision was £516,068,000 (2018: £505,147,000).

The impact of discount rate changes on the outstanding claims provision is presented within net gains/(losses) on investments (note 24).

(v) Assumptions

The most significant assumptions in determining the undiscounted general insurance outstanding claims provision are the anticipated number and ultimate settlement cost of claims, and the extent to which reinsurers will share in the cost. Factors which influence decisions on assumptions include legal and judicial changes, significant weather events, other catastrophes, subsidence events, exceptional claims or substantial changes in claims experience and developments in older or latent claims. Significant factors influencing assumptions about reinsurance are the terms of the reinsurance treaties, the anticipated time taken to settle a claim and the incidence of large individual and aggregated claims.

There are no significant changes in assumptions.

(vi) Claims development tables

The nature of liability classes of business is that claims may take a number of years to settle and before the final liability is known. The tables below show the development of the undiscounted estimate of ultimate gross and net claims cost for these classes across all territories.

Estimate of gross ultimate claims											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At end of year	84,476	82,095	100,612	81,725	61,901	44,464	51,738	50,736	48,759	47,945	
One year later	75,550	76,371	88,046	80,027	50,571	43,582	46,073	46,885	40,461		
Two years later	62,239	71,543	78,196	69,860	48,327	40,337	41,041	41,883			
Three years later	66,422	68,587	72,516	66,192	45,495	33,804	38,468				
Four years later	61,330	60,841	67,980	60,174	37,064	29,436					
Five years later	62,074	59,914	62,712	56,912	34,606						
Six years later	61,871	57,950	61,213	54,901							
Seven years later	60,155	57,939	60,560								
Eight years later	60,037	57,790									
Nine years later	59,199										
Current estimate of ultimate claims	59,199	57,790	60,560	54,901	34,606	29,436	38,468	41,883	40,461	47,945	465,249
Cumulative payments to date	(51,938)	(49,973)	(53,237)	(44,655)	(23,826)	(14,559)	(13,481)	(9,152)	(4,973)	(1,478)	(267,272)
Outstanding liability	7,261	7,817	7,323	10,246	10,780	14,877	24,987	32,731	35,488	46,467	197,977
Effect of discounting											(10,192)
Present value											187,785
Discounted liability in respect of earlier years											129,852
Total discounted gross liability (for liability classes) included in provisions in the balance sheet											317,637

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Estimate of net ultimate claims											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At end of year	73,218	75,302	88,247	76,729	59,633	42,739	47,402	45,920	44,053	44,230	
One year later	64,796	72,336	79,272	66,475	47,690	40,397	41,631	41,706	37,456		
Two years later	57,758	68,057	73,735	60,075	47,428	37,740	37,740	37,797			
Three years later	59,353	66,822	69,837	55,710	41,494	32,297	36,337				
Four years later	55,975	60,314	65,872	51,482	35,164	28,506					
Five years later	57,012	59,521	60,800	49,196	33,233						
Six years later	57,070	57,641	59,338	47,518							
Seven years later	55,778	57,591	59,061								
Eight years later	55,827	57,439									
Nine years later	55,112										
Current estimate of ultimate claims	55,112	57,439	59,061	47,518	33,233	28,506	36,337	37,797	37,456	44,230	436,689
Cumulative payments to date	(47,930)	(49,769)	(51,923)	(37,447)	(22,646)	(14,559)	(13,450)	(9,152)	(4,972)	(1,478)	(253,326)
Outstanding liability	7,182	7,670	7,138	10,071	10,587	13,947	22,887	28,645	32,484	42,752	183,363
Effect of discounting											(10,192)
Present value											173,171
Discounted liability in respect of earlier years											117,843
Total discounted net liability (for liability classes) included in provisions in the balance sheet											291,014

VIII. Long-term business provision and reinsurance assets

	2019	2018
	£000	£000
Gross long-term business provision	262,500	239,440
Ceded long-term business provision	183,288	157,476
Net long-term business provision	79,212	81,964
Gross long-term business provision		
Current	20,430	18,541
Non-current	242,070	220,899
Reinsurance assets		
Current	14,913	12,814
Non-current	168,375	144,662

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Assumptions

Where the trading subsidiaries' liability under the funeral plan is linked to performance of a with-profits life assurance plan provided by an independent, third party, life insurance company, liabilities are based on the group's estimate of the surrender value of the with-profits life assurance policy.

Where the trading subsidiaries' liability under the funeral plan is linked to inflation, the most significant assumptions in determining long-term business provisions are as follows:

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. For the only material line of business, the base tables used are English Life Tables number 16F and English Life Tables number 16M. Where prudent, an allowance is made for future mortality improvements based on trends identified in population data.

Investment returns

Projected investment returns are based on actual yields for each asset class less an allowance for credit risk, where appropriate.

The investment return assumption is determined by calculating an overall yield on all cash flows projected to occur from the portfolio of financial assets which are assumed to back the relevant class of liabilities.

Funeral plans renewal expense level and inflation

Numbers of policies in force and both projected and actual expenses have been considered when setting the base renewal expense level. The unit renewal expense assumption for this business is £2.50 per annum (2018: £2.40 per annum). Additionally, now the in-force policy volumes are expected to fall, much of the expenses of the long-term insurance business have been reserved for in a separate exercise. A reserve for these expenses is held at £5.7m (2018: £5.4m).

Expense inflation is set with reference to the index-linked UK government bond rates of return, and published figures for earnings inflation, and is assumed to be 4.08% per annum (2018: 4.22%).

(ii) Changes in assumptions

Projected investment returns have been revised in line with the changes in the actual yields of the underlying assets. As a result, liabilities have increased by £2.5m (2018: £0.3m increase).

The assumed future expenses of running the business have been revised based on expenses that are expected to be incurred by the long-term insurance business. The effect on the long-term business provision of the changes to renewal expense assumptions was a £1.4m increase (2018: £1.1m decrease).

There has been no change in the mortality assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Sensitivity analysis

The sensitivity of the net income/(expenditure) before tax of the trading subsidiaries to changes in the key assumptions used to calculate the long-term business provision is shown in the following table. No account has been taken of any correlation between the assumptions.

Variable	Change in assumption	Potential increase/ (decrease) in net income/ (expenditure)	
		2019 £000	2018 £000
Deterioration in annuitant mortality	+10%	1,000	900
Improvement in annuitant mortality	-10%	(1,100)	(1,100)
Increase in fixed interest/cash yields	+1% pa	500	200
Decrease in fixed interest/cash yields	-1% pa	(600)	(600)
Worsening of base renewal expense level	+10%	(700)	(600)
Improvement in base renewal expense level	-10%	600	600
Increase in expense inflation	+1% pa	(900)	(900)
Decrease in expense inflation	-1% pa	700	700

IX. Movements in insurance liabilities and reinsurance assets

	Group £000	Reinsurance £000	Net £000
Claims outstanding			
At 1 January 2019	457,319	(78,731)	378,588
Cash (paid)/received for claims settled in the year	(139,221)	40,808	(98,413)
Change in liabilities/reinsurance assets	168,030	(53,399)	114,631
Exchange differences	(4,459)	1,340	(3,119)
At 31 December 2019	481,669	(89,982)	391,687
Provision for unearned premiums			
At 1 January 2019	180,766	(61,615)	119,151
Increase in the period	204,691	(70,165)	134,526
Release in the period	(180,862)	61,416	(119,446)
Exchange differences	(1,499)	790	(709)
At 31 December 2019	203,096	(69,574)	133,522
Long-term business provision			
At 1 January 2019	239,440	(157,476)	81,964
Effect of new business in the year	31,896	(31,896)	-
Effect of claims during the year	(19,473)	13,740	(5,733)
Changes in assumptions	4,816	(1,969)	2,847
Other movements	5,821	(5,687)	134
At 31 December 2019	262,500	(183,288)	79,212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Group £000	Reinsurance £000	Net £000
Claims outstanding			
At 1 January 2018	509,319	(102,635)	406,684
Cash (paid)/received for claims settled in the year	(155,137)	48,691	(106,446)
Change in liabilities/reinsurance assets	107,996	(26,389)	81,607
Exchange differences	(4,859)	1,602	(3,257)
At 31 December 2018	457,319	(78,731)	378,588
Provision for unearned premiums			
At 1 January 2018	171,788	(56,573)	115,215
Increase in the period	181,373	(61,854)	119,519
Release in the period	(170,368)	56,090	(114,278)
Exchange differences	(2,027)	722	(1,305)
At 31 December 2018	180,766	(61,615)	119,151
Long-term business provision			
At 1 January 2018	216,206	(128,065)	88,141
Effect of new business in the year	36,998	(36,998)	-
Effect of claims during the year	(17,982)	11,732	(6,250)
Changes in assumptions	(449)	(95)	(544)
Other movements	4,667	(4,050)	617
At 31 December 2018	239,440	(157,476)	81,964

49 Subsequent events

In early 2020, the existence of a new coronavirus, Covid-19, was confirmed. This virus has since spread across the globe and has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in UK and global stock markets. This pandemic presents various operational, market and investment risks to the group which the trustees and components of the group continue to monitor closely.

The group considers the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event. Consequently, there is no impact on the recognition and measurement of assets and liabilities at 31 December 2019.

The group has taken action to ensure its businesses continue to operate effectively, safeguard its employees and meet the needs of its beneficiaries and customers. The group continues to expect to meet regulatory requirements and has responded to enquiries that regulators have asked regarding the assessment of the impact of Covid-19 on solvency and operational matters. Covid-19 has impacted how the businesses operate. Business continuity plans have been used which have ensured employees of the group are equipped to work in a remote environment and are able to continue to support our customers and beneficiaries, work with key suppliers and perform other functions of the group. The group and its businesses have continued to deliver services and expect to continue to do so over the foreseeable future.

The strength of the capital position means that despite the global economic disruption Covid-19 has caused, the group is well capitalised and can withstand significant market disruption. The group's solvency is monitored regularly, has not fallen below risk appetite and management have appropriate actions available to them if required to protect the long-term interests of stakeholders. The group's Solvency II Capital Cover was estimated to be over 170% (unaudited) at 31 March 2020 (31 December 2019: 189% (unaudited)) and the group continues to have a capital position in excess of the regulatory levels required which are designed to provide a strong level of protection for the policyholders within some of the group's businesses.

SUPPLEMENTARY INFORMATION
(UNAUDITED)

SUPPLEMENTARY INFORMATION (UNAUDITED)

During the year, the charity awarded grants for the following national projects:

	2019 £000
Grants for national projects:	
Archbishops' Council of the Church of England, London	61
Association of English Cathedrals, London	97
Centre for the Study of Christianity and Culture, York	80
Church Commissioners for England, London	50
Jesus Shaped People, Bradford, West Yorkshire	90
Kintsugi Hope, Boreham, Essex	84
Representative Body of the Church in Wales	15
The Faraday Institute for Science and Religion, Cambridge	140
The London Institute for Contemporary Christianity	180
The Ugly Duckling Company, Aylburton, Gloucestershire	60
Transforming Lives for Good (TLG), Bradford, West Yorkshire	178

During the year, the charity awarded grants to the following beneficiaries in England:

	2019 £000
Grants in England:	
Abbey Church of Holy Cross and St Lawrence, Waltham Abbey, Essex	2
Abbey Hill United Reformed Church, Kenilworth, Warwickshire	2
Abbey Lane and Newport URC incorporating Saffron Walden Methodist Church, Saffron Waldon, Essex	2
Across, Stansted, Hertfordshire	2
Adeyfield Free Church, Hemel Hempstead, Hertfordshire	9
Alderney Methodist Church, Alderney, Guernsey	25
All Hallows Church, Gedling, Nottingham, Nottinghamshire	3
All Hallows Church, Tillington, West Sussex	2
All Saints' and St Margaret's Church, Pakefield, Suffolk	3
All Saints' and St Mary's Church, Chitterne, Wiltshire	2
All Saints and St Nicolas Church, Icklesham, East Sussex	2
All Saints Church and Community Centre, Tuckingmill, Cornwall	2
All Saints Church, Alrewas, Staffordshire	2
All Saints' Church, Aston on Trent, Derbyshire	2
All Saints' Church, Barrowby, Lincolnshire	2
All Saints' Church, Bedford, Bedfordshire	2
All Saints Church, Beighton, Norfolk	5
All Saints Church, Bishop Burton, East Yorkshire	3
All Saints' Church, Bolton Percy, North Yorkshire	3
All Saints Church, Campton, Bedfordshire	1
All Saints Church, Canterbury, Kent	2
All Saints Church, Chelsworth, Suffolk	5
All Saints' Church, Clayton West, West Yorkshire	2
All Saints Church, Cleadon, Tyne and Wear	2
All Saints' Church, Cottenham, Cambridgeshire	2
All Saints Church, Croughton, Northamptonshire	1
All Saints Church, Crowfield, Suffolk	2
All Saints Church, Eagle, Lincolnshire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England:	
All Saints' Church, East Finchley, London	6
All Saints' Church, Guildford, Surrey	2
All Saints Church, Halifax, West Yorkshire	2
All Saints Church, Hertford, Hertfordshire	2
All Saints Church, Holbeton, Devon	2
All Saints Church, Hough-on-the-Hill, Lincolnshire	2
All Saints Church, Houghton Regis, Bedfordshire	8
All Saints Church, Iwade, Kent	2
All Saints' Church, Landbeach, Cambridge	4
All Saints Church, Legbourne, Lincolnshire	3
All Saints' Church, Longstanton, Cambridgeshire	1
All Saints Church, Lupton, Cumbria	2
All Saints Church, Lydiard Millicent, Wiltshire	4
All Saints Church, Marden, Wiltshire	2
All Saints Church, Newton-le-Willows, Merseyside	2
All Saints Church, North Ferriby, East Yorkshire	2
All Saints' Church, North Runcton, Norfolk	2
All Saints Church, North Scarle, Lincolnshire	2
All Saints Church, North Street, York	12
All Saints Church, Norton, Northamptonshire	1
All Saints Church, Patcham, East Sussex	5
All Saints' Church, Pavement, York	2
All Saints Church, Rayne, Essex	5
All Saints' Church, Ringsfield, Suffolk	2
All Saints' Church, Ripley, North Yorkshire	2
All Saints Church, Sapcote, Leicestershire	2
All Saints' Church, Slingsby, York	5
All Saints' Church, St Ewe, Cornwall	5
All Saints Church, Sudbury, Suffolk	4
All Saints' Church, Sutton Courtenay, Oxfordshire	11
All Saints Church, Swanton Morley, Norfolk	2
All Saints Church, Threxton, Norfolk	5
All Saints Church, Upper Caldecote, Bedfordshire	2
All Saints Church, West Burnley, Lancashire	5
All Saints Church, Wick, West Sussex	3
All Saints Church, Wickham Market, Suffolk	3
All Saints Church, Winthorpe, Nottinghamshire	2
All Saints Church, Worlington, Suffolk	2
All Saints Parish Church, Flore, Northamptonshire	5
All Saints' Parish Church, Normanton, West Yorkshire	7
All Saints Parish Church, Wellington, Shropshire	4
All Saints Station Church, Wattisham, Suffolk	-
All Saints' Church, Castle Cary, Somerset	4
All Saints with St Michael Church, Shrewsbury, Shropshire	2
Ambassadors Football, Bolton, Greater Manchester	2
Amblecote Christian Centre, Stourbridge, West Midlands	1
Amblecote Wordsley Methodist Church, Amblecote, West Midlands	2
Arbury Road Baptist Church, Cambridge, Cambridgeshire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Ark Church Nottingham, Nottinghamshire	25
Ark Community Church, Sutton Coldfield, West Midlands	5
Arnold Methodist Church, Arnold, Nottingham, Nottinghamshire	2
Ashmore Park Baptist Church, Wolverhampton, West Midlands	2
Aston Rowant School C of E School PTA, Aston Rowant, Oxfordshire	2
AtaLoss.org (ListeningPeople project), London	8
Avenue St Andrew's United Reformed Church, Southampton, Hampshire	10
Baildon Methodist Church, Baildon, West Yorkshire	2
Banbury Community Church, Banbury, Oxfordshire	20
Baston CE Primary School PTA, Baston, Lincolnshire	2
Bath Abbey	50
Beachy Head Chaplaincy Team, Eastbourne, East Sussex	3
Bearfield Church, Bradford on Avon, Wiltshire	2
Bentley Baptist Church, Bentley, South Yorkshire	1
Berrow School Association, Burnham-on-Sea, Somerset	2
Berwick Church; The Berwick (Sussex) Conservation Trust, Polegate, East Sussex	17
Bestwood Park Church, Nottingham, Nottinghamshire	3
Bethesda Baptist Church, Ipswich, Suffolk	32
Bethshan North East, Washington, Tyne and Wear	3
Birmingham Cathedral	25
Bishop Auckland Methodist Church, Bishop Auckland, Co Durham	5
Blackburn Cathedral	72
Blaze, Grangetown, Cleveland	4
Bognor Regis Baptist Church, Bognor Regis, West Sussex	2
Bolsover Methodist Church, Derbyshire	57
Bootle Christ Church Youth and Community Centre, Bootle, Merseyside	13
Bovey Tracey Methodist Church, Bovey Tracey, Devon	2
Bradford Cathedral	25
Bramford Road Methodist Church, Ipswich, Suffolk	2
Bramley Baptist Church, Leeds, West Yorkshire	1
Bridestowe Methodist Church, Bridestowe, Devon	18
Brighthelm Church and Community Centre, Brighton, East Sussex	4
Bristol Cathedral	25
Bristol Diocesan Board of Finance Ltd.	130
Broadstone Baptist Church, Broadstone, Dorset	10
Brompton-on-Swale Methodist Church, Brompton-on-Swale, North Yorkshire	2
Broughton in Furness C.E. Primary School, Broughton in Furness, Cumbria	2
Buckinghamshire Historic Churches Trust, Aylesbury, Buckinghamshire	50
Bury St Edmunds Cathedral	25
Busbridge C of E Church, Busbridge, Surrey	13
Cannon Street Memorial Baptist Church (CSMBC), Handsworth, West Midlands	2
Canon Peter Hall C of E Primary School, Immingham, North East Lincolnshire	2
Canterbury Cathedral	25
Carbis Bay Wesley Methodist Church, Carbis Bay, Cornwall	-
Carlisle Cathedral	25
Carnon Downs Methodist Church, Carnon Downs, Cornwall	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Castle Hill United Reformed Church, Ipswich, Suffolk	5
Central Methodist Church, Letchworth Garden City, Hertfordshire	1
Chapel en le Frith Methodist Church, High Peak, Derbyshire	4
Chelmsford Cathedral	25
Chester Cathedral	25
Chichester Cathedral	25
Chichester City Centre Drop In, Chichester, West Sussex	3
Chichester Diocesan Association for Family Support Work, Brighton, East Sussex	4
Chinnor Community Church, Chinnor, Oxfordshire	2
Chorley United Reformed Church, Chorley, Lancashire	5
Christ Church Hackenthorpe, Sheffield, South Yorkshire	2
Christ Church Linton and Castle Gresley, Swadlincote, Derbyshire	2
Christ Church with St Ewen, All Saints' and St George, Bristol	3
Christ Church, Fairwarp, East Sussex	2
Christ Church, Gloucester, Gloucestershire	5
Christ Church, Heworth, York	2
Christ Church, South Ossett, West Yorkshire	3
Christ Image Assembly Northampton, Northampton, Northamptonshire	3
Christchurch, Pointon, Lincolnshire	2
Christians Together Calderdale, Halifax, West Yorkshire	2
Church House, Abbotskerswell, Devon	1
Church Mission Society, Oxford, Oxfordshire	15
Church of Christ in Darnall, Sheffield, South Yorkshire	4
Church of Our Lady and St Joseph, Alcester, Warwickshire	4
Church of St Andrew, West Wrating, Cambridgeshire	2
Church of St George Portsea, Portsmouth, Hampshire	2
Church of St Hilda, Halifax, West Yorkshire	3
Church of St James The Less, Little Tey, Essex	2
Church of St Mary, Ottery St Mary, Devon	2
Church of St Michael and All Angels, Alnham, Northumberland	3
Church of St Michael and All Angels, Bishop's Cleeve, Gloucestershire	5
Church of St Nicholas, Portslade, East Sussex	4
Church of St Peter and St Paul, Broadwell, Gloucestershire	1
Church of St Peter and St Paul, Osbournby, Lincolnshire	1
Church of St Peter and St Paul, Wangford, Suffolk	4
Church of the Holy Rood, Empshott, Hampshire	2
Church of the Holy Spirit, Chelmsford, Essex	2
Church of the Venerable Bede, Newcastle-upon-Tyne, Tyne and Wear	4
Clementswood Baptist Church, Ilford, Essex	2
CMA Connect Fareham, Fareham, Hampshire	2
College of St Barnabas, Lingfield, Surrey	2
Community Solutions North West, Church, Lancashire	5
Cornerstone Fountain Church, Barking, Essex	2
Coventry Cathedral	78
Coventry Jesus Centre, Coventry, West Midlands	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Crediton Methodist Church, Crediton, Devon	25
Cross Way Church Seaford, Seaford, East Sussex	14
Croydon Minster, Croydon, London	2
Dagenham Parish Church, Dagenham, Greater London	6
Dalton Community Church, Dalton-in-Furness, Cumbria	7
Depaul UK, London	2
Derby Cathedral	26
Didbrook Church, Didbrook, Gloucestershire	2
Didcot Baptist Church, Didcot, Oxfordshire	8
Dorking United Reformed Church, Dorking, Surrey	3
Dorridge Methodist Church, Solihull, West Midlands	9
Dukinfield Moravian Church, Dukinfield, Cheshire	2
Durham Cathedral	25
e:merge (UK) Company Ltd, Bradford, West Yorkshire	10
East Hampstead Baptist Church, Bracknell, Berkshire	2
EC Roberts Centre (known as The Roberts Centre), Portsmouth, Hampshire	3
Edale Methodist Chapel, Edale, Derbyshire	21
Eggborough Methodist Church, Eggborough, North Yorkshire	1
Elim Church @ Risborough, Princes Risborough, Buckinghamshire	9
Elim Life Church Kingstanding, Birmingham, West Midlands	6
Elim Pentecostal Church, Thornton Heath, Surrey	3
Ellel St John the Evangelist Church, Galgate, Lancashire	1
Elstow Bunyan Christian Fellowship, Elstow, Bedfordshire	3
Ely Cathedral	25
Emmanuel Church, Bath	2
Emmanuel Church, Eastbourne, East Sussex	126
Emmanuel Church, Woodley, Berkshire	4
Emmanuel Methodist Church, Barnsley, South Yorkshire	2
Epiphany Church, Gipton, Leeds, West Yorkshire	2
Epiphany Trust (Truro) Ltd., Truro, Cornwall	15
Epping Methodist Church, Epping, Essex	5
Exeter Cathedral	125
Farms for City Children, Exeter, Devon	3
Father Hudson's Care, Birmingham, West Midlands	4
Fathers House Elim Church, Lancaster, Lancashire	2
Fellowship Afloat Charitable Trust (FACT), Tollesbury, Essex	11
Field Lane, London	14
Finchampstead Baptist Church, Finchampstead, Berkshire	2
Finchley Catholic High School, Finchley, London	1
FirmFoundation, South Harrow, Middlesex	1
Firth Park Methodist Church, Sheffield, South Yorkshire	50
Fishponds Baptist Church, Bristol	2
Fleetwood Methodist Church, Fleetwood, Lancashire	25
Fountain of Life Church, Ashill, Norfolk	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Fourstones Methodist Church, Fourstones, Northumberland	2
Friends of Essex Churches Trust, Pentlow, Essex	20
Friends of Holcot, Edenbridge, Kent	1
Friends of St Gregory, Cheltenham, Gloucestershire	7
Friends of the Freedom Centre, Blackpool, Lancashire	25
Full Life Church, Maltby, South Yorkshire	2
Fylde Coast YMCA, Lytham St Annes, Lancashire	100
Gamblesby Methodist Church, Gamblesby, Cumbria	24
Gateshead Presbyterian Church, Newcastle upon Tyne, Tyne and Wear	16
Gillingham Methodist Church, Gillingham, Kent	2
Glenfield Methodist Church, Glenfield, Leicestershire	60
Glory of the Cross Ministry, Enfield, Greater London	7
Gloucester Cathedral	50
Godfirst Christchurch, Christchurch, Dorset	75
Gorsley Goffs Primary School, Ross-on-Wye, Herefordshire	3
Goudhurst and Kilndown Church of England Primary School, Goudhurst, Kent	2
Grace Tabernacle Christian Ministries, Croydon, Surrey	38
Grand Union Vineyard Church, Milton Keynes, Buckinghamshire	4
Grantham Baptist Church, Grantham, Lincolnshire	2
Grays United Reformed Church, Grays, Essex	2
Great Sampford Baptist Church, Great Sampford, Essex	8
Gretton Baptist Church, Gretton, Northamptonshire	3
Growing Hope King's Cross, London	11
Guildford Baptist Church, Guildford, Surrey	2
Guildford Cathedral	25
Handcrafted Projects, Langley Moor, County Durham	2
Havens Christian Hospice, Westcliff-on-Sea, Essex	2
Haydon Old Church, Haydon Bridge, Northumberland	3
Hearsall Baptist Church, Coventry, West Midlands	2
Hemsworth Methodist Church, Hemsworth, West Yorkshire	50
Hereford Cathedral	26
Heritage Crafts Association, Telford, Shropshire	12
Hessle Road Network, Hull, East Yorkshire	1
High Street Baptist Church, Tring, Hertfordshire	5
Highgate Newtown Community Centre, Camden, London	7
Hindley Green Methodist Church, Wigan, Lancashire	2
Holy Cross Church, Sherston, Wiltshire	2
Holy Epiphany Church, Bournemouth, Dorset	13
Holy Innocents Church, Highnam, Gloucester	2
Holy Rood Church, Swindon, Wiltshire	3
Holy Spirit Catholic Church, Heckmondwike, West Yorkshire	5
Holy Trinity CE Primary School, Tottenham, London	4

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Holy Trinity Church, Attleborough, West Midlands	2
Holy Trinity Church, Bolton Le Sands, Lancashire	2
Holy Trinity Church, Colden Common, Hampshire	10
Holy Trinity Church, Dewsbury, West Yorkshire	2
Holy Trinity Church, Eltham, London	3
Holy Trinity Church, Hazlemere, Buckinghamshire	35
Holy Trinity Church, Horfield, Avon	2
Holy Trinity Church, Leeds (Parish of Leeds City), West Yorkshire	19
Holy Trinity Church, Paulton, Bath and North East Somerset	2
Holy Trinity Church, Pelton, County Durham	2
Holy Trinity Church, Rangeworthy, South Gloucestershire	2
Holy Trinity Church, Rothwell, Northamptonshire	3
Holy Trinity Church, Sittingbourne, Kent	3
Holy Trinity Church, Waterhead, Oldham, Greater Manchester	3
Holy Trinity Parish Church, Sutton Coldfield, West Midlands	2
Holy Trinity Weston Church, Southampton, Hampshire	2
Hoe Baptist Church, Plymouth, Devon	8
Hook Norton Baptist Church, Hook Norton, Oxfordshire	6
Hope Baptist Church, Hebden Bridge, West Yorkshire	2
Hope Community Church, Hotwells, Bristol	3
Hope Nottingham CIO, Nottingham, Nottinghamshire	2
Hope Whitby Missional Communities, Whitby, North Yorkshire	2
Huntingdon Methodist Church, Huntingdon, Cambridgeshire	60
Indian Queens Methodist Church, Indian Queens, Cornwall	2
Innervation Trust, Hanley Swan, Worcestershire	10
Intentional Health, Wadebridge, Cornwall	2
Ipplepen Methodist Church, Ipplepen, Devon	12
Ivy Church, Cheadle Hulme, Greater Manchester	5
JD Church, Swindon, Wiltshire	2
Jordan Healing Church International, Leeds, West Yorkshire	9
Just Finance Foundation, London	250
Kearsley Mount Methodist Church, Bolton, Greater Manchester	2
Kidderminster Baptist Church, Kidderminster, Worcestershire	2
King Street Baptist Church, Thetford, Norfolk	3
Kings Arms Project, Bedford, Bedfordshire	2
Kings Church Bolton, Greater Manchester	2
Kingswood Methodist Church, Wollaton, Nottinghamshire	5
Kirkby Stephen Methodist Church, Kirkby Stephen, Cumbria	5
Latymer Community Church, London	5
Lea Methodist Church, Gainsborough, Lincolnshire	17
Lee Abbey International Students' Club (Lee Abbey London), London	54
Leeds City Mission, Leeds, West Yorkshire	4
Leek and District Churches Youth Work Project, Leek, Staffordshire	1
Leicester Cathedral	25
Leyburn Methodist Church, Leyburn, North Yorkshire	15

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Lichfield Cathedral	25
Life Youth Hub, Bebington, Wirral	9
Limitless, West Malvern, Worcestershire	45
Lincoln Cathedral	125
Linking Lives UK, Earley, Berkshire	2
Linthorpe Road Methodist Church and Resource Centre, Middlesbrough, Cleveland	2
Listening Post Christian Counselling Service Limited, Cheltenham, Gloucestershire	2
Littlehampton Quakers, Littlehampton, West Sussex	4
Liverpool Cathedral	25
Liverpool Lighthouse, Liverpool, Merseyside	25
Lorica Trust, Washington, West Sussex	6
Loundsley Green LEP Church, Chesterfield, Derbyshire	2
Make Jesus Known, Oldham, Lancashire	17
Manchester Cathedral	25
Manchester Debre Selam Kidest Silassie Ethiopian Orthodox Church, Broughton, Greater Manchester	22
Manor Church and Community Project, Sheffield, South Yorkshire	6
Marriage Week, Cambridge, Cambridgeshire	5
Maryport Methodist Church Signpost Project, Maryport, Cumbria	5
Matrix Trust, Guildford, Surrey	15
Measham Baptist Church, Measham, Leicestershire	4
Methodist Connexion, London	910
Methodist Relief and Development Fund – All We Can, London	35
Mission Initiative Newcastle East (MINE), Newcastle upon Tyne, Tyne and Wear	3
Moldgreen United Reformed Church, Moldgreen, West Yorkshire	1
Morley Methodist Chapel, Morley, Norfolk	21
Morning Star Trust, Chatham, Kent	2
Nailsea Methodist Church, Nailsea, Bristol	2
Narthex Sparkhill, Birmingham, West Midlands	1
New Bridge, Brixton, London	2
New Life Pentecostal Church, Saffron Walden, Essex	6
Newcastle Cathedral	25
Ninfield C.E. Primary School, Battle, East Sussex	2
Northampton Roman Catholic Diocesan Trust, Northampton, Northamptonshire	3
Norwich Cathedral	64
Oakhanger Methodist Church, Crewe, Cheshire	6
Oakworth Methodist Church, Keighley, West Yorkshire	10
Okeford Fitzpaine C E Primary School, Okeford Fitzpaine, Dorset	1
Old Kea Church, Truro, Cornwall	2
Old Roan Methodist Church, Liverpool, Merseyside	4
Open Doors Baptist Church, Clapton, London	5
Open Homes Nottingham, Nottingham, Nottinghamshire	3
Orchards, London	2
Orpington Methodist Church, Orpington, Kent	50
OSCAR UK Information Service for World Mission, Gloucester, Gloucestershire	1
Our Lady and St Kenelm Catholic Church, Stow-on-the-Wold, Gloucestershire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Our Lady of Victories and St Anne's Church, Keighley, West Yorkshire	3
Our Lady Queen of Peace Syro-Malabar Catholic Church, Litherland, Liverpool, Merseyside	4
Our Lady Queen of the Apostles Catholic Church, Cheddar, Somerset	9
Our Lady Star of the Sea and St Michael's Church, Workington, Cumbria	4
Oxfordshire Historic Churches Trust (2016), Oxford, Oxfordshire	30
Parish Church of St Guthlac, Market Deeping, Lincolnshire	2
Parish Church of St Oswald, Filey, North Yorkshire	2
Park Avenue Methodist Church, Northampton, Northamptonshire	2
Partridge Green Methodist Church, Horsham, West Sussex	1
Peterborough Cathedral	25
Pett Methodist Church, Pett, East Sussex	2
Pinchbeck Baptist Church, Pinchbeck, Lincolnshire	2
Portsmouth Cathedral	30
Poynton Baptist Church, Poynton, Cheshire	2
Poynton Methodist Church, Poynton, Cheshire	2
Prayer Spaces in Schools (part of 24-7 Prayer), Guildford, Surrey	2
Pregnancy Centres Network, Winchester, Hampshire	2
Primetime at The Vine, Bradford, West Yorkshire	15
Priors Park Community Church, Tewkesbury, Gloucestershire	4
Prisoners of Conscience Appeal Fund, Lant, London	1
Project Colt, Elland, West Yorkshire	2
Queen Victoria Seamen's Rest, London	12
Radcliffe United Reformed Church, Radcliffe, Greater Manchester	4
Radcliffe-on-Trent Methodist Church, Radcliffe-on-Trent, Nottinghamshire	32
Rainbow Living, Cullompton, Devon	10
RCAB St Joseph's Church, Wolverhampton, West Midlands	3
RCAB St Thomas Church, Styvechale, West Midlands	2
RCCG Living Faith Sunderland Parish, Tyne and Wear	1
Reach Community Projects, Haverhill, Suffolk	2
Reconciliation Initiatives, Coventry, West Midlands	3
Relational Hub, Littlehampton, West Sussex	4
Release Financial Charity, South Normanton, Derbyshire	2
Revelation Community (Operating as Revelation Family Church), Chichester, West Sussex	11
Rhyddings Methodist Church, Accrington, Lancashire	3
Ripon Cathedral	25
River Parish Church, Dover, Kent	2
Robert Stewart Memorial United Reformed Church, Newcastle upon Tyne, Tyne and Wear	23
Rochdale Children's Moorland Home, Rochdale, Greater Manchester	5
Rochester Cathedral	25
Rock Christian Centre, Sheffield, South Yorkshire	4
Rock Foundation UK Ltd, Great Grimsby, North East Lincolnshire	3
Rooted In, Allerton, West Yorkshire	11
Sacred Heart RC Church, Tunstall, Staffordshire	5
Saint Leonard's Parish Church, Loftus-in-Cleveland, North Yorkshire	5
Saint Margaret's Parish Church, Hornby, Lancashire	2
Saint Martins Church, Castleton, Rochdale, Lancashire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Saint Mary's Catholic Church, Hencotes, Northumberland	2
Saint Peter and Saint Paul Church, Long Hanborough, Oxfordshire	2
Saint Peter's Church, Mansergh, Cumbria	2
Saint Peter's Church, Welford on Avon, Warwickshire	1
Salem Methodist Church, Blackpool, Lancashire	20
Salisbury Cathedral	25
Saltbox, Stoke-on-Trent, Staffordshire	10
Scampton Church, Scampton, Lincolnshire	2
Scotter Methodist Chapel, Scotter, Lincolnshire	2
Scripture Union, Milton Keynes, Buckinghamshire	25
Selby Abbey C of E VC Primary School, Selby, North Yorkshire	3
Selby Abbey, Selby, North Yorkshire	25
Sevenways Methodist Church, Stretford, Greater Manchester	2
Sheffield Cathedral	25
Shrewsbury Roman Catholic Diocesan Trust, Birkenhead, Wirral	5
Soham Methodist Church, Soham, Cambridgeshire	30
Sorted Church, Bradford, West Yorkshire	7
South Ashford Baptist Church, Ashford, Kent	1
Southampton City Mission (CIO), Southampton, Hampshire	1
Southborough Church of England Primary School, Southborough, Kent	2
Southend Christian Fellowship, Southend-on-Sea, Essex	3
Southwark Cathedral	25
Southwell Minster	50
Ss Peter and Paul Catholic Church, Leeds, West Yorkshire	2
SS Peter, Paul and St Philomena's Church, New Brighton, Merseyside	12
St Aidan's Community Group, New Herrington, Sunderland	1
St Albans Cathedral	25
St Alban's Church, Fulham, London	12
St Alban's Church, Hindhead, Surrey	2
St Alban's Church, Offerton, Cheshire	1
St Alban's Church, Westcliffe-on-Sea, Essex	7
St Andrew and St Mary's Church, Stoke Rochford, Lincolnshire	2
St Andrew's Church, Wickham Skeith, Suffolk	5
St Andrew's Church, Aylestone, Leicestershire	3
St Andrew's Church, Bacton on Sea, Norfolk	2
St Andrew's Church, Chinnor, Oxfordshire	2
St Andrew's Church, Ewerby, Lincolnshire	2
St Andrew's Church, Freckenham, Suffolk	5
St Andrew's Church, Grange, Cheshire	3
St Andrew's Church, Halton Holegate, Lincolnshire	3
St Andrew's Church, Miserden, Gloucestershire	-
St Andrew's Church, Oving, West Sussex	3
St Andrew's Church, Stokeintiegnhead, Devon	2
St Andrew's Church, Thurning, Norfolk	5
St Andrew's Church, Toft, Cambridgeshire	2
St Andrew's Church, Twyford, Derbyshire	3

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Andrew's Church, Twyford, Leicester	3
St Andrew's Church, West Deeping, Lincolnshire	5
St Andrew's Church, Whissendine, Rutland	2
St Andrew's Church, Wickhampton, Norfolk	2
St Andrew's Church, Wilmcote, Warwickshire	1
St Andrews Church, Winston, County Durham	3
St Andrew's Church, Yetminster, Dorset	3
St Andrew's Methodist Church, Bushey Heath, Hertfordshire	3
St Andrew's Norway Church (Eastbourne), East Sussex	2
St Anne's Church, Eastville, Bristol	3
St Anne's Church, Highgate, London	5
St Anthony of Pamiers Church, Alkham, Kent	1
St Augustine's Church, Wrangthorn, West Yorkshire	5
St Augustine's Church, Dunstable, Bedfordshire	1
St Augustine's Church, Scissett, West Yorkshire	2
St Augustin's Church, North Shields, Tyne and Wear	2
St Barnabas Church, Downham, London	3
St Barnabas Church, Lenton Abbey, Nottingham, Nottinghamshire	3
St Barnabas Church, Warmley, Bristol	2
St Barnabas Church, Wellingborough, Northamptonshire	3
St Bartholomew's Church, Great Gransden, Cambridgeshire	2
St Bartholomew's Church, Orford, Suffolk	4
St Bartholomew's Church, Redmarley D'Abitot, Gloucestershire	3
St Benedict's Church, Glinton, Cambridgeshire	1
St Boniface Church, Quinton, Birmingham	6
St Botolph's Church, Aspley Guise, Bedfordshire	-
St Botolph's Church, Burton Hastings, Warwickshire	3
St Botolph's Church, Colchester, Essex	2
St Botolph's Church, Hadstock, Cambridgeshire	2
St Botolph's Church, Slapton, Northamptonshire	2
St Budeaux Parish Church, Plymouth, Devon	2
St Catherine's Church, Sacombe, Hertfordshire	3
St Catherine's Church, Crook, County Durham	3
St Catherine's Church, Litlington, Cambridgeshire	2
St Catherine's Church, Tugford, Shropshire	2
St Catherine's Church, Ventnor, Isle of Wight	3
St Chad's Church, Chadwell Heath, Essex	2
St Chad's Church, Leasowe, Merseyside	2
St Chad's Church, Rochdale, Lancashire	3
St Clement with St Matthias Church, Broughton, Greater Manchester	3
St Clement's Church, Outwell, Cambridgeshire	3
St Clement's Church, Truro, Cornwall	2
St Columba and the Northern Saints Church, Corby, Northamptonshire	1
St Columba's Church, Halifax, West Yorkshire	4
St Cuthbert's Church, Amble, Northumberland	3
St Cuthbert's Church, Fishlake, South Yorkshire	3
St Cuthbert's Church, Sessay, North Yorkshire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Cuthbert's RC Church, Wigton, Cumbria	3
St David's Church, Newbold on Stour, Warwickshire	2
St Denys Church, Ravensthorpe, Northamptonshire	3
St Denys' Church, Severn Stoke, Worcestershire	2
St Dionis' Church, Parsons Green, London	9
St Dunstan's Church, Mayfield, East Sussex	4
St Dunstan's Parish Church, Cranbrook, Kent	4
St Edmund King and Martyr Church, East Mersea, Essex	2
St Edmund, King and Martyr, Church, Stoulton, Worcester	3
St Edmund's Church, Roundhay, Leeds	4
St Edmund's or St James's Church, Blunham, Bedfordshire	2
St Edward the Confessor Church, Barlings, Lincolnshire	2
St Edward's Church of England Academy, Leek, Staffordshire	2
St Erkenwald's Church, Barking, Essex	2
St Faith's Church, Kilsby, Northamptonshire	3
St Francis Church, Salisbury, Wiltshire	3
St Gabriel's Church, Huyton Quarry, Merseyside	3
St Gabriel's Parish House Trust, London	20
St George the Martyr Church, London	2
St George's Cathedral, Southwark, London	6
St George's Chapel, Windsor, Berkshire	35
St George's Church, Anstey, Hertfordshire	3
St George's Church, Edgbaston, West Midlands	4
St George's Church, Hanworth, Middlesex	8
St George's Church, Unsworth, Lancashire	2
St Gerard's Roman Catholic Church, Castle Vale, Birmingham, West Midlands	1
St Germain's Church, Edgbaston, Birmingham, West Midlands	12
St Giles Catholic Church, Cheadle, Staffordshire	3
St Giles Church, South Mymms, Hertfordshire	4
St Helen's Church Hall, Ore, East Sussex	3
St Helen's Church, North Thoresby, Lincolnshire	2
St Helen's Church, Thurnscoe, South Yorkshire	2
St Hybald's Church, Hibaldstow, Lincolnshire	2
St Ives Methodist Church, Cambridgeshire	31
St James' and St Luke's Church, Glossop, Derbyshire	3
St James' Church, Ashton-under-Lyne in the Parish of the Good Shepherd, Greater Manchester	3
St James Church, Bix, Oxfordshire	4
St James' Church, Chipping Campden, Gloucestershire	1
St James Church, Gloucester, Gloucestershire	7
St James Church, Mangotsfield, Bristol	8
St James Church, Nunburnholme, York	2
St James Church, Slaithwaite, West Yorkshire	4
St James Church, St James South Elmham, Suffolk	2
St James' Church, Wetherby, West Yorkshire	2
St James the Great Church, Audlem, Cheshire	2
St James the Great Church, Norton Juxta Kempsey, Worcester, Worcestershire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St James the Great Church, Snitterfield, Warwickshire	2
St James the Great Church, Wrightington with Heskin, Lancashire	2
St James the Greater Church, Leicester, Leicestershire	5
St James the Greater Church, Sutton Cheney, Warwickshire	2
St James Woodside Church, Leeds, West Yorkshire	2
St James's Church, Little Dalby, Leicestershire	2
St John Baptist Church, Membury, Devon	2
St John the Baptist C of E Church, Stone, Buckinghamshire	2
St John the Baptist Church, Abthorpe, Northamptonshire	3
St John the Baptist Church, Ault Hucknall, Derbyshire	2
St John the Baptist Church, Barnack, Cambridgeshire	1
St John the Baptist Church, Brinklow, Warwickshire	2
St John the Baptist Church, Butley, Suffolk	2
St John the Baptist Church, Campsea Ashe, Suffolk	2
St John the Baptist Church, Capel, Surrey	2
St John the Baptist Church, Cayton, North Yorkshire	3
St John the Baptist Church, Colsterworth, Lincolnshire	1
St John the Baptist Church, Crowle, Worcestershire	3
St John the Baptist Church, Great Carlton, Lincolnshire	2
St John the Baptist Church, Hawkchurch, Devon	2
St John the Baptist Church, Hillmorton, Warwickshire	6
St John the Baptist Church, Misson, Nottinghamshire	2
St John the Baptist Church, Murton-cum-Hilton, Cumbria	2
St John the Baptist Church, Old Sodbury, Avon	3
St John the Baptist Church, Preston Bissett, Buckinghamshire	1
St John the Baptist Church, Quinton, Northamptonshire	1
St John the Baptist Church, Somersham, Cambridgeshire	2
St John the Baptist Church, Weston Beggard, Herefordshire	2
St John the Baptist Church, Wittersham, Kent	2
St John the Divine Church, Patching, West Sussex	2
St John the Divine Church, Willenhall, West Midlands	15
St John the Evangelist Church, Ashton Hayes, Cheshire	5
St John the Evangelist Church, Bierley, West Yorkshire	3
St John the Evangelist Church, Cutcombe, Somerset	2
St John The Evangelist Church, Essington, Staffordshire	5
St John the Evangelist Church, Golcar, West Yorkshire	2
St John the Evangelist Church, Hurst Green, Oxted, Surrey	2
St John the Evangelist Church, St Leonards-on-Sea, East Sussex	2
St John the Evangelist Church, Taunton, Somerset	3
St John the Evangelist Church, Whitchurch, Buckinghamshire	2
St John with St Andrew's Church, Peckham, London	4
St John's Church, Grayrigg, Cumbria	2
St John's Church, Harborne, Birmingham, West Midlands	83
St John's Church, Howsham, North Yorkshire	2
St John's Church, Pensilva, Cornwall	2
St John's Church, Shildon, County Durham	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St John's Church, Tupton, Derbyshire	2
St John's Methodist Church, Luton, Bedfordshire	11
St John's Methodist Church, Swinton, Mexborough, South Yorkshire	6
St John's Methodist Church, Whitley Bay, Tyne & Wear	1
St John's United Reformed Church, New Barnet, Hertfordshire	2
St Joseph's College, Ipswich, Suffolk	17
St Joseph's Church, Barnoldswick, Lancashire	2
St Joseph's Church, Bishop Thornton, North Yorkshire	2
St Julitta's Church, Lanteglos, Cornwall	3
St Katharine's Church, Irchester, Northamptonshire	3
St Katharine's Parish Church, Ickleford, Hertfordshire	2
St Kenelm's Church, Alderley, Gloucestershire	1
St Laurence Church, Catsfield, East Sussex	3
St Lawrence Church, Ayot St Lawrence, Hertfordshire	2
St Lawrence Church, Bidborough, Kent	6
St Lawrence Church, Harpley, Norfolk	2
St Lawrence Newland Church, Southminster, Essex	2
St Lawrence the Martyr Church, Abbots Langley, Hertfordshire	3
St Lawrence's Church, Darlaston, West Midlands	1
St Leonard's Church, Bledington, Gloucestershire	2
St Leonards Church, Blithfield, Staffordshire	2
St Leonard's Church, Grendon Underwood, Buckinghamshire	7
St Leonard's Church, Ipstones, Staffordshire	2
St Leonards Church, Loddington, Northamptonshire	2
St Leonard's Church, Rodney Stoke, Somerset	2
St Leonard's Church, Scarcliffe, Derbyshire	2
St Leonard's Church, Sherfield English, Hampshire	2
St Leonard's Church, Southoe, Cambridgeshire	1
St Leonard's Church, Walton-le-Dale, Lancashire	2
St Leonard's Church, Wigginton, Staffordshire	1
St Lucius Church, Farnley Tyas, West Yorkshire	5
St Luke at Hackney, London	4
St Luke with Holy Trinity Church, Charlton, London	3
St Luke's Church, Eltham Park, London	2
St Luke's Church, Holbeck, Leeds, West Yorkshire	30
St Luke's Church, Kentish Town, London	6
St Luke's Church, Newton Poppleford, Devon	4
St Luke's Church, Woodside, London	3
St Margaret of Antioch Church, Braceborough, Lincolnshire	2
St Margaret's Church, Aspley, Nottingham, Nottinghamshire	7
St Margaret's Church, Crawley, West Sussex	2
St Margaret's Church, Stoodleigh, Devon	2
St Mark's Church, Bredbury, Cheshire	2
St Mark's Church, Mosborough, South Yorkshire	4
St Mark's Church, Scarisbrick, Lancashire	4
St Mark's Church, Winshill, Staffordshire	4
St Mark's Crescent Methodist Church, Maidenhead, Berkshire	50

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Mark's MK Church, Milton Keynes, Buckinghamshire	2
St Martin de Porres Roman Catholic Church, Wakefield, West Yorkshire	2
St Martin in the Wood Church, Chandler's Ford, Hampshire	1
St Martin's Chapel and Parish Hall, Fulwood, Lancashire	9
St Martin's Church, Welton, Northamptonshire	1
St Martin's Methodist Church, Allenton, Derbyshire	25
St Martin's Parish Church, Looe, Cornwall	2
St Mary and All Saints Church, Little Walsingham, Norfolk	1
St Mary and All Saints Church, Newton by Castle Acre, Norfolk	2
St Mary and St Eanswythe's Church, Folkestone, Kent	4
St Mary and St Lawrence Church, Great Bricett, Suffolk	3
St Mary and St Nicholas Church, Leatherhead, Surrey	20
St Mary de Haura Church, Shoreham-By-Sea, West Sussex	4
St Mary Magdalen Church, Billericay, Essex	2
St Mary Magdalene Church, Alsager, Cheshire	2
St Mary Magdalene Church, Barkway, Hertfordshire	3
St Mary Magdalene Church, Ecton, Northamptonshire	2
St Mary Magdalene Church, Hart Village, County Durham	1
St Mary Magdalene Church, Leinthall Starks, Herefordshire	2
St Mary Magdalene Church, South Holmwood, Surrey	2
St Mary Magdalene Parish Church, Longbenton, Tyne and Wear	2
St Mary Magdalene's Church, Leamington Spa, Warwickshire	1
St Mary Magdelene Church, Prudhoe, Northumberland	2
St Mary the Virgin Church, Aylesbury, Buckinghamshire	1
St Mary the Virgin Church, Bedford, Bedfordshire	2
St Mary the Virgin Church, Buckland, Surrey	2
St Mary the Virgin Church, Buriton, Hampshire	2
St Mary the Virgin Church, Clophill, Bedfordshire	2
St Mary the Virgin Church, Elham, Kent	2
St Mary the Virgin Church, Faringdon, Oxfordshire	2
St Mary the Virgin Church, Fawdon, Tyne and Wear	2
St Mary the Virgin Church, Frampton on Severn, Gloucestershire	2
St Mary The Virgin Church, Glanvilles Wootton, Dorset	2
St Mary the Virgin Church, Grafton Regis, Northamptonshire	5
St Mary the Virgin Church, Great Massingham, Norfolk	4
St Mary the Virgin Church, Greetham, Rutland	3
St Mary the Virgin Church, Hampstead Norreys, Berkshire	2
St Mary the Virgin Church, Honley, West Yorkshire	3
St Mary the Virgin Church, Hurst Hill, Bilston, West Midlands	3
St Mary the Virgin Church, Ipsden, Oxfordshire	2
St Mary The Virgin Church, Kilmington, Wiltshire	2
St Mary the Virgin Church, Longframlington, Northumberland	2
St Mary the Virgin Church, North Elmham, Norfolk	3
St Mary the Virgin Church, Olveston, South Gloucestershire	4
St Mary the Virgin Church, Staverton, Northamptonshire	2
St Mary the Virgin Church, Thorpe Arnold, Leicestershire	4

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Mary the Virgin Church, Woodford Halse, Northamptonshire	2
St Mary the Virgin, Congerstone, Warwickshire	2
St Marylebone Church and School, London	1
St Mary's Church, Addington, Buckinghamshire	2
St Mary's Church, Arnold, Nottingham, Nottinghamshire	2
St Mary's Church, Barby, Warwickshire	3
St Mary's Church, Bartlow, Cambridgeshire	2
St Mary's Church, Beenham, Berkshire	4
St Mary's Church, Bentley, Suffolk	3
St Mary's Church, Bideford, Devon	2
St Mary's Church, Bishopstone, Wiltshire	2
St Mary's Church, Brome, Suffolk	2
St Mary's Church, Burnham Deepdale, Norfolk	2
St Mary's Church, Charleton, Devon	2
St Mary's Church, Childwick Green, Hertfordshire	3
St Mary's Church, Codford St Mary, Wiltshire	2
St Mary's Church, Cogges, Oxfordshire	3
St Mary's Church, Corscombe, Dorset	2
St Mary's Church, Docking, Norfolk	3
St Mary's Church, Forthampton, Gloucestershire	5
St Mary's Church, Handsworth, West Midlands	32
St Mary's Church, Hardwick, Cambridgeshire	5
St Mary's Church, Harlington, Bedfordshire	2
St Mary's Church, Hartley Wespall, Hampshire	2
St Mary's Church, Headley, Surrey	6
St Mary's Church, Islington, London	33
St Mary's Church, Long Wittenham, Oxfordshire	2
St Mary's Church, Pirton, Hertfordshire	2
St Mary's Church, Reed, Hertfordshire	3
St Mary's Church, Riccall, North Yorkshire	1
St Mary's Church, Roade, Northamptonshire	2
St Mary's Church, Sileby, Leicestershire	2
St Mary's Church, South Elmsall, West Yorkshire	3
St Mary's Church, South Wootton, Norfolk	2
St Mary's Church, Stow cum Quy, Cambridgeshire	2
St Mary's Church, Stretton, Staffordshire	2
St Mary's Church, Tenbury Wells, Worcestershire	2
St Mary's Church, Tottenham, London	3
St Mary's Church, Walthamstow, London	76
St Mary's Church, Willesborough, Kent	4
St Mary's Church, Yelverton, Norfolk	2
St Mary's Holy Trinity Bow Church, London	10
St Mary's Parish Church, Kingswood, Gloucestershire	2
St Mary's Parish Church, Luton, Bedfordshire	11
St Mary's Parish Church, Richmond, North Yorkshire	2
St Mary's Parish Church, West Stow, Suffolk	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Matthew's Church, Normanton-on-Trent, Nottinghamshire	4
St Matthew's Church, Surbiton, Surrey	9
St Matthew's Church, Wilsden, Bradford, West Yorkshire	2
St Matthias Church, Torquay, Devon	18
St Maurice's Church, Ellingham, Northumberland	2
St Michael and All Angels Church, Abbey Wood, London	5
St Michael and All Angels Church, Ashton-on-Ribble, Preston, Lancashire	3
St Michael and All Angels Church, Bassingham, Lincoln, Lincolnshire	2
St Michael and All Angels Church, Compton Chamberlayne, Wiltshire	2
St Michael and All Angels Church, Crewe Green, Cheshire	2
St Michael and All Angels Church, Enfield, Middlesex	2
St Michael and All Angels Church, Fringford, Oxfordshire	2
St Michael and All Angels Church, Harston, Leicestershire	2
St Michael and All Angels Church, Haworth, West Yorkshire	3
St Michael and All Angels Church, Leicester, Leicestershire	3
St Michael and All Angels Church, London Fields, London	3
St Michael and All Angels Church, Meeth, Devon	2
St Michael and All Angels Church, Newnham, Northamptonshire	2
St Michael and All Angels Church, Rampisham, Dorset	2
St Michael and All Angels Church, Skellow, South Yorkshire	7
St Michael and All Angels Church, Stoke Prior, Worcestershire	10
St Michael and All Angels Church, Wallington, Surrey	4
St Michael and All Angels Church, Winterbourne Earls, Wiltshire	2
St Michael and All Angels Church, Woolstaston, Shropshire	1
St Michael in Lewes Church, Lewes, East Sussex	2
St Michael the Archangel Church, Compton Martin, Somerset,	2
St Michael the Archangel Church, Lyme Regis, Dorset	3
St Michael with St Thomas Church, Widnes, Cheshire	2
St Michael's and All Angels Church, Bawdrip, Somerset	2
St Michael's C of E Primary Academy, Exeter, Devon	2
St Michael's Centre (Bishop's Cleeve), Gloucestershire	2
St Michael's Church, Beccles, Suffolk	4
St Michael's Church, Bishop's Stortford, Hertfordshire	4
St Michael's Church, Braintree, Essex	2
St Michael's Church, Breaston, Derbyshire	3
St Michael's Church, Fulwell, Greater London	33
St Michael's Church, Heighington, County Durham	2
St Michael's Church, Helston, Cornwall	3
St Michael's Church, Hernhill, Kent	2
St Michael's Church, Newhaven, East Sussex	5
St Michael's Church, Sittingbourne, Kent	3
St Nicholas Church, Berden, Essex	2
St Nicholas Church, Castle Hedingham, Essex	2
St Nicholas' Church, Great Kimble, Buckinghamshire	2
St Nicholas Church, Iford, East Sussex	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Nicholas Church, Leckford, Hampshire	2
St Nicholas Church, St Helens, Merseyside	4
St Nicholas Church, Stevenage, Hertfordshire	15
St Nicholas Church, Stretton, Rutland	3
St Nicholas Church, Tingrith, Buckinghamshire	2
St Nicholas Church, Tolleshunt D'Arcy, Essex	2
St Nicholas Church, Wallasey Village, Merseyside	2
St Nicholas Church, Woodrising, Norfolk	1
St Nicholas of Tolentino Church, Bristol	7
St Nicholas Primary School - PTA, Harpenden, Hertfordshire	2
St Nicolas Church, North Stoneham, Hampshire	10
St Nicolas Church, Witham, Essex	1
St Oswald, King and Martyr Church, Oswaldkirk, York	2
St Oswald's Church, Dean, Cumbria	2
St Owen's Church, Bromham, Bedfordshire	25
St Patrick's Church, Bradford, West Yorkshire	11
St Paul's and the Church of the Good Shepherd, Hounslow West, Middlesex	11
St Paul's Cathedral	25
St Paul's Church, Accrington, Lancashire	2
St Paul's Church, Birmingham, West Midlands	2
St Paul's Church, Chichester, West Sussex	8
St Paul's Church, Doncaster, South Yorkshire	3
St Paul's Church, Huddlesden, Lancashire	1
St Paul's Church, Hook, Surrey	2
St Paul's Church, Ireland Wood, Leeds	11
St Paul's Church, Ludgvan, Cornwall	2
St Paul's Church, Widnes, Cheshire	3
St Paul's Church, Worcester, Worcestershire	3
St Pega's Church, Peakirk, Cambridgeshire	1
St Peter and St Paul Church, Heytesbury, Wiltshire	2
St Peter and St Paul's Church, Algarkirk, Lincolnshire	52
St Peter and St Paul's Church, Burton Pidsea, East Yorkshire	2
St Peter and St Paul's Church, Chatteris, Cambridgeshire	3
St Peter and St Paul's Church, Ermington, Devon	2
St Peter and St Paul's Church, Gosberton, Lincolnshire	1
St Peter and St Paul's Church, Nether Heyford, Northamptonshire	2
St Peter and St Paul's Church, Saltwood, Kent	15
St Peter-in-the-Wood Church, Appleshaw, Hampshire	3
St Peter's Catholic Church, Leeds, West Yorkshire	3
St Peter's Church Cleasby with Stapleton, Cleasby, North Yorkshire	2
St Peter's Church, Kington Langley, Wiltshire	2
St Peter's Church, Bardon Hill, Leicestershire	2
St Peter's Church, Bentley, South Yorkshire	1
St Peter's Church, Birstall, West Yorkshire	3
St Peter's Church, Diddlebury, Shropshire	2
St Peter's Church, Dunchurch, Warwickshire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Peter's Church, Eaton Square, London	3
St Peter's Church, Ellesmere, Sheffield	3
St Peter's Church, Elmsett, Suffolk	2
St Peter's Church, Empingham, Rutland	3
St Peter's Church, Haveringland, Norfolk	2
St Peter's Church, Humbleton, East Riding of Yorkshire	2
St Peter's Church, Knossington, Leicestershire	3
St Peter's Church, Macclesfield, Cheshire	4
St Peter's Church, Maxey, Cambridgeshire	1
St Peter's Church, Norton, North Yorkshire	2
St Peter's Church, Palgrave, Suffolk	3
St Peter's Church, Quernmore, Lancashire	3
St Peter's Church, Stoke Lyne, Oxfordshire	5
St Peter's Church, Thornton, Leicestershire	2
St Peter's Church, Tollerton, Nottinghamshire	2
St Peter's Church, Trusthorpe, Lincolnshire	3
St Peter's Church, Upwood, Cambridgeshire	1
St Peter's Church, Wawne, East Riding of Yorkshire	2
St Peter's Church, Weasenham, Norfolk	2
St Peter's Church, Windrush, Oxfordshire	2
St Peter's Church, Withington, Herefordshire	3
St Peter's Church, Wolferton, Norfolk	2
St Peter's Church, Wrestlingworth, Bedfordshire	2
St Peter's in the City, Derby, Derbyshire	3
St Philip and St James Church, Leckhampton, Gloucestershire	44
St Philip and St James Church, Ratby, Leicestershire	2
St Philip's Church, Kelsall, Cheshire	3
St Silas Church, Blackburn, Lancashire	3
St Sithney Church, Sithney, Cornwall	5
St Stephen and All Martyrs Church, Oldham, Greater Manchester	1
St Stephen's Catholic Church, Skipton, North Yorkshire	23
St Stephen's Church, Great Wigborough, Essex	5
St Stephen's Church, Scalby, East Yorkshire	5
St Stephen's Church, Snainton, North Yorkshire	3
St Stephen's Church, West Bowling, Bradford, West Yorkshire	4
St Theresa and St Winefride's Catholic Church, Bradford, West Yorkshire	2
St Thomas a Becket Church, Brightling, East Sussex	2
St Thomas a Becket Church, Ramsey, Cambridgeshire	3
St Thomas a Becket Church, Warblington, Hampshire	3
St Thomas' Church, Kilnhurst, South Yorkshire	5
St Thomas' Church, Lancaster, Lancashire	40
St Thomas of Canterbury Church, Burton-le-Coggles, Lincolnshire	3
St Thomas's Church, Gristhorpe, North Yorkshire	1
St Veep Parish Church, Lostwithiel, Cornwall	3
St Werburgh's Church, Warbstow, Cornwall	2
St Wilfrid's RC Church, Ripon, North Yorkshire	6
St Wilfrid's Church, Grappenhall, Cheshire	18

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
St Wilfrid's Church, Barrow-upon-Trent, Derbyshire	13
St Wilfrid's Church, Burnshall, North Yorkshire	1
St Wilfrid's Church, Halton, Lancashire	2
St Wilfrid's Church, Honington, Lincolnshire	2
St Wilfrid's Church, Newcastle upon Tyne, Tyne and Wear	5
St Wilfrid's R C Church, Haltwhistle, Northumberland	2
St Wulfram's Church, Grantham, Lincolnshire	3
Stafford (St Mary's) Society of Change Ringers, Stafford, Staffordshire	4
Stainbeck United Reformed Church, Leeds, West Yorkshire	3
Stanley Road Baptist Church, Morecambe, Lancashire	6
Storrs Road Methodist Church Centre, Chesterfield, Derbyshire	3
Strathmore Road Methodist Church, Rowlands Gill, Tyne and Wear	64
Sudbury Neighbourhood Centre (Middlesex) Ltd, Wembley, Middlesex	2
Sue Ryder Wheatfields Hospice, Leeds, West Yorkshire	3
Sutton St James Baptist Church, Lincolnshire	3
SWYM (South West Youth Ministries), Woodbury Salterton, Devon	20
Syke Methodist Church, Rochdale, Greater Manchester	32
Talitha Arts, Teddington, London	1
The Archbishops' Council, London	172
The Boaz Trust, Manchester	2
The Bridge Church, Bolton, Greater Manchester	25
The Church of Christ the King, Basingstoke, Hampshire	2
The Church of St Peter and St Paul, Scrayingham, North Yorkshire	1
The Church of the Assumption of the Blessed Virgin Mary, Upper Froyle, Hampshire	2
The Church of the Transfiguration, Pyecombe, West Sussex	2
The CROSS Project, Wakefield, West Yorkshire	1
The Diocese in Europe	42
The Diocese Of Bath And Wells	135
The Diocese of Birmingham	150
The Diocese of Blackburn	174
The Diocese of Bristol	95
The Diocese of Canterbury	123
The Diocese of Carlisle	97
The Diocese of Chelmsford	269
The Diocese of Chester	162
The Diocese of Chichester	171
The Diocese of Coventry	98
The Diocese of Derby	139
The Diocese of Durham	181
The Diocese of Ely	102
The Diocese of Exeter	180
The Diocese of Gloucester	107
The Diocese of Guildford	104
The Diocese of Hereford	88
The Diocese of Leeds	318

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
The Diocese of Leicester	132
The Diocese of Lichfield	231
The Diocese of Lincoln	200
The Diocese of Liverpool	164
The Diocese of London	422
The Diocese of Manchester	222
The Diocese of Newcastle	120
The Diocese of Norwich	165
The Diocese of Oxford	257
The Diocese of Peterborough	117
The Diocese of Portsmouth	83
The Diocese of Rochester	139
The Diocese of Salisbury	152
The Diocese of Sheffield	148
The Diocese of Southwark	258
The Diocese of Southwell and Nottingham	136
The Diocese of St Albans	157
The Diocese of St Edmundsbury And Ipswich	111
The Diocese of Truro	99
The Diocese of Winchester	128
The Diocese of Worcester	106
The Diocese of York	194
The Dorcan Church, Swindon, Wiltshire	1
The Fig Tree Project [Stonehouse], Stonehouse, Gloucestershire	2
The Friends of the Church of St Mary Magdalene Hunts Shaw, Devon	2
The Good Shepherd Church, Farnham, Surrey	2
The Guild of St Thomas and St Edmund, Salisbury, Wiltshire	7
The Iris Project, Oxford, Oxfordshire	1
The John Wallis Church of England Academy, Ashford, Kent	107
The Lighthouse Church, Eccles, Lancashire	2
The Manna House Trust, Northampton, Northamptonshire	2
The Matthew Project, Norwich, Norfolk	18
The Methodist Church for Prescott and Whiston, Prescott, Merseyside	25
The Nottinghamshire Historic Churches Trust, Old Basford, Nottinghamshire	30
The Othona Community, West Dorset	5
The Overcomers Christian Fellowship International UK, Plymouth, Devon	2
The Parish Church of St Peter and St Paul, Heydon, Norfolk	1
The Prince's Foundation, London	7
The Priory Church of St Mary and St Michael, Cartmel, Cumbria	4
The Sacred Heart of Jesus RC Church, Southwold, Suffolk	8
The Sharakat Project, Bradford, West Yorkshire	2
The Snowdrop Project, Sheffield, South Yorkshire	16
The Swedish Church London, London	3
The Vine Trust of St Mary's Laisterdyke, Bradford, West Yorkshire	3
The Wesley Centre, Malton, North Yorkshire	29
The Word International Church, Southwark, London	2
THOMAS, Blackburn, Lancashire	2

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Tolpuddle Old Chapel Trust, Tolpuddle, Dorset	13
Totley Rise Methodist Church, Sheffield, South Yorkshire	3
Trafford Youth for Christ, Altrincham, Greater Manchester	-
Tramway Christian Fellowship, London	25
Transform Northwest Network, Liverpool, Merseyside	25
Trebullet Methodist Chapel, Cornwall	2
Treetops Hospice Care, Risley, Derbyshire	3
Tresparrrett Methodist Church, Camelford, Cornwall	25
Trevi House, Plymouth, Devon	3
Trinity Church Nottingham, Nottingham, Nottinghamshire	23
Trinity Church, Abingdon, Oxfordshire	3
Trinity Methodist Church, Barton-upon-Humber, North Lincolnshire	4
Trinity Methodist Church, Pontefract, West Yorkshire	25
Trinity Methodist Church, Westcliff on Sea, Essex	3
Trinity School, Sevenoaks, Kent	7
Truro Baptist Church, Cornwall	1
Truro Cathedral	25
Tunbridge Wells Baptist Church, Kent	7
Twickenham United Reformed Church, Twickenham, Middlesex	2
United Reformed Church, Newport Pagnell, Buckinghamshire	15
Universities and Colleges Christian Fellowship, Oxford, Oxfordshire	1
Upton Methodist Church, Pontefract, West Yorkshire	30
Voice of Hope Radio (Hope FM), Bournemouth, Dorset	2
Wakefield Cathedral	25
Walsingham Methodist Church, Little Walsingham, Norfolk	2
Ward Jackson C of E Primary School, Hartlepool, County Durham	1
Watton Methodist Church, Watton, Norfolk	8
Wellington Baptist Church, Wellington, Somerset	4
Wellington Methodist Church, Wellington, Somerset	1
Wells Cathedral	25
Wellspring Church, Wirksworth, Derbyshire	60
Wellspring Family Church, Dereham, Norfolk	5
West Bromwich Baptist Church, West Bromwich, West Midlands	5
Westminster Abbey	25
Weston Church Youth Project, Southampton, Hampshire	3
What's Happening on North Street, Crewe, Cheshire	25
Whittington Parish Church, Whittington, Lancashire	2
Willerby Methodist Church, Willerby, East Yorkshire	31
Winchester Cathedral	25
Windermere Methodist Church, Windermere, Cumbria	2
Wombourne Methodist Church, Wombourne, West Midlands	2
Woodham Parish Hall, Woking, Surrey	2
Woolwich Service Users Project (WSUP), Charlton, London	3
Worcester Cathedral	25
Wyre Forest Youth for Christ, Bewdley, Worcestershire	2
XLP, London	19

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in England (continued):	
Yapton Free Church, Yapton, West Sussex	4
Yatton Methodist Church, Yatton, North Somerset	2
YMCA Bedfordshire, Bedford, Bedfordshire	2
YMCA Exeter, Devon	3
YMCA Milton Keynes, Buckinghamshire	11
York Diocesan Board of Finance	35
York Minster	100
Youthscape, Luton, Bedfordshire	13

During the year, the charity awarded grants to the following beneficiaries in Wales:

	2019 £000
Grants in Wales:	
All Saints Church, Gresford, Wrexham	1
Bangor Cathedral	11
Bethel Community Church (Newport), South Wales	100
Bethel Elim Church, Neath, Neath Port Talbot	2
Bethesda Chapel, Narberth, Pembrokeshire	8
Bont Elim Community Church, Pontarddulais, Swansea	1
Brecon Cathedral	11
Church of St Thomas a Becket, Shirenewton, Monmouthshire	3
Dafen Parish Church, Llanelli, Carmarthenshire	1
Eglwys y Bedyddwyr Tabernacl Welsh Baptist Church, Cardiff	3
Gendros Baptist Church, Swansea, West Glamorgan	2
Green Street Methodist Church, Aberdare, Rhondda Cynon Taf	4
Hope Church, Bedwas, South Wales	1
Llandaff Cathedral	22
Monmouth Cathedral	11
Mount Carmel Baptist Church, Caerphilly, Mid Glamorgan	2
Mount Zion Baptist Church, Cardigan, Ceredigion	10
Nevern Church, Pembrokeshire	3
New Life Church, Llandrindod Wells, Powys	2
New Radnor Baptist Church, Powys	1
Nightingale House Hospice, Wrexham	5
Paraclete Congregational Church, Newton, Swansea	2
Saron Independent Chapel, Crynant, Neath Port Talbot	2
St Asaph Cathedral	11
St Asaph Diocesan Board of Finance, St Asaph, Denbighshire	100
St Bartholomew's Church, Sealand, Flintshire	5
St Cadogs Church, Llangadog, Carmarthenshire	1
St Cattwg's Church, Port Eynon, Swansea	2
St Cynwyd's Church, Llangynwyd, Mid Glamorgan	2
St David's Church, Llanddewi Rhydderch, Monmouthshire	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in Wales (continued):	
St David's Cathedral	22
St David's Church, Hundleton, Pembrokeshire	3
St Edwards Church Hall, Knighton, Powys	2
St Gwynog's Church, Aberhafesp, Powys	2
St Illtyd's Church, Fforestfach, City and County of Swansea	2
St John the Baptist Church, Penhow, Gwent	2
St John the Evangelist Church, Rhydymwyn, Flintshire	2
St Mary's Church, Llanvair Discoed, Monmouthshire	2
St Michael and All Angels Church, Knill, Powys	1
St Michael and All Angels Church, Lower Machen, South Wales	2
St Michael's Church, Ammanford, Carmarthenshire	2
St Nicholas' Church, Churchstoke, Powys	3
St Peter's Church, Cockett, Swansea	2
St Teilos Church, Llantilio Crossenny, Monmouthshire	2
St Theodore's Church, Kenfig Hill, Mid Glamorgan	7
St Thomas Church, Swansea	41
St Tudor's Church, Mynyddislwyn, Caerphilly	3
St Tyfaelog's Church, Pontlottyn, Caerphilly	2
St Tysilio Church, Llandysilio, Powys	2
St Winefride Catholic Church, Holywell, Flintshire	2
Tallarn Green Methodist Chapel (St Peter's Memorial Chapel), Malpas, Wrexham County Borough	2
The Diocese of Bangor	14
The Diocese of Llandaff	47
The Diocese of Monmouth	22
The Diocese of St Asaph	23
The Diocese of St Davids	24
The Diocese of Swansea and Brecon	20
The Representative Body of the Church in Wales	182
Trinity Methodist Church, Kidwelly, Carmarthenshire	2

During the year, the charity awarded grants to the following beneficiaries in Scotland:

	2019 £000
Grants in Scotland:	
Aberdeen Cathedral	11
Abernethy Trust Ltd, Nethybridge, Inverness-shire	25
Apex Church Peterhead, Peterhead, Aberdeenshire	3
Baljaffray Parish Church, Bearsden, Glasgow, Lanarkshire	3
Barthol Chapel Church, Inverurie, Aberdeenshire	2
Berriedale Church and Cemetery Association, Berriedale, Caithness	2
Bishopton Parish Church, Bishopton, Renfrewshire	2
Broxburn Baptist Church, Broxburn, West Lothian	4
Buckie Baptist Church, Buckie, Moray	2
Carntyne Parish Church, Glasgow, Lanarkshire	7
Christian Heritage Edinburgh, Dalkeith, Midlothian	1

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in Scotland (continued):	
Church of God, Kilsyth, North Lanarkshire	2
CrossReach, Edinburgh	4
Cumbræ Cathedral	11
Dundee Cathedral	11
Dundee Friends' Property Trust, Dundee	4
Dundee Lochee Parish Church, Dundee, Angus	17
Edinburgh Cathedral	22
Forres (Lighthouse) Baptist Church, Forres, Moray	3
Fresh Start, Edinburgh	5
Glasgow Cathedral	11
Glasgow Living Waters Church, Glasgow	1
Granton Parish Church, Granton, Edinburgh	2
Greyfriars Charteris Centre, Edinburgh	39
Inverness Cathedral	11
Kirkcaldy Congregational Church, Kirkcaldy, Fife	5
Leslie Baptist Church, Leslie, Fife	4
Muckhart Parish Church, Dollar, Clackmannanshire	2
New Team SCIO, Glasgow, Lanarkshire	8
Oban Cathedral	11
Peebles Baptist Church, Peebles, Scottish Borders	18
Perth Cathedral	11
Polwarth Parish Church, Edinburgh	2
Priory Church of St Mary, South Queensferry, West Lothian	3
Quarter Parish Church, Quarter, South Lanarkshire	2
Queensferry Churches' Care in the Community, South Queensferry, West Lothian	2
Quiet Waters, Falkirk, Stirlingshire	3
Rosskeen Free Church, Achnagarron, Highland	2
Scotland's Churches Trust, Edinburgh	2
South Uist Church of Scotland, Eilean Siar, Outer Hebrides	3
St Agatha's Catholic Church, Methil, Fife	2
St Aloysius' Church, Glasgow, Lanarkshire	8
St Andrew and St Nicholas Parish Church, Hillington, Glasgow, Lanarkshire	12
St Anthony's Roman Catholic Church, Kirriemuir, Angus	2
St John's Episcopal Church, Forfar, Angus	2
St Joseph's Catholic Church, Kilmarnock, East Ayrshire	4
St Mary's Chapel, Eskdale, Inverness-shire	8
St Mary's Scottish Episcopal Church, Aberfoyle, Stirlingshire	2
St Mungo's Episcopal Church, West Linton, Peebleshire	2
Stromness Church of Scotland, Orkney	4
The Diocese of Aberdeen	7
The Diocese of Argyll	4
The Diocese of Brechin	7
The Diocese of Edinburgh	19
The Diocese of Glasgow and Galloway	14
The Diocese of Moray	4
The Diocese of St Andrews	8

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in Scotland (continued):	
The General Synod of the Scottish Episcopal Church Nominees	18
The Wynd Centre, Paisley, Renfrewshire	2
Trinity Church, Larkhall, South Lanarkshire	2
Wishaw YMCA, Wishaw, North Lanarkshire	3

During the year, the charity awarded grants to the following beneficiaries in Ireland:

	2019 £000
Grants in Ireland:	
Abbey Presbyterian Church, Dublin	19
Alpha Ireland, Bray, County Wicklow	5
Ashfield Parish Church of Ireland, Ashfield, County Cavan	2
Aughavas Church of Ireland, Aughavas, County Leitrim	1
Banbridge Elim Church, Banbridge, County Down	3
Benburb Priory (Servite Trust NI), Benburb, County Tyrone	2
Carrigrohane Union of Parishes, Ballincollig, County Cork	54
Church of Our Lady Immaculate, Dublin	3
Clanabogan Parish Church, Omagh, County Tyrone	2
Dreamscheme Northern Ireland, Belfast, County Antrim	2
Dublin Cathedral (Christ Church)	11
High Street Methodist Church, Lurgan, County Armagh	30
Inishowen Methodist Churches, Moville, County Donegal	37
Kilkenny Christian Centre, Annamult, County Kilkenny	9
Knockbreda Methodist Church, Belfast, County Down	1
Lacca Church, Lacca, County Laois	2
Lisbellaw Parish Church, Lisbellaw, County Fermanagh	3
Parish of Cumber Upper and Learmount, Claudy, County Derry	2
Redcross Church, Dunganstown Union of Parishes, Redcross, Dunganstown and Conary, County Wicklow	18
Representative Body Of The Church Of Ireland, Dublin	94
St Anne's Cathedral, Belfast	11
St Brigid's Cathedral, Kildare	11
St Canice's Cathedral, Kilkenny	11
St Columb's Cathedral, Derry	11
St Fethlimidh's Cathedral, Kilmore	11
St Fin Barre's Cathedral, Cork	11
St George's Church of Ireland, Balbriggan, County Dublin	2
St John's Parish Church of Ireland, Middletown, County Armagh	4
St Macartan's Cathedral, Clogher, County Tyrone	2
St Macartan's Cathedral, Enniskillen	11
St Mary's Cathedral, Limerick	11
St Mary's Cathedral, Tuam	11
St Patrick's Cathedral, Armagh	11
St Patrick's Cathedral, Dublin	111

SUPPLEMENTARY INFORMATION (UNAUDITED)

	2019 £000
Grants in Ireland (continued):	
St Saviour's Church, Rathdrum, County Wicklow	4
Sydenham Methodist Church, Belfast, County Antrim	2
Termonamongan Parish Church, Castlederg, County Tyrone	6
The Follies Trust, Craigavon, County Armagh	1
Trustees of the Methodist Church in Ireland	55

During the year, the charity awarded grants to the following other beneficiaries:

	2019 £000
Other grants:	
Peel Cathedral, Isle of Man	25
St Peter's Church, St Pierre du Bois, Guernsey	2
St Stephen's Church, St Peter Port, Guernsey	2
The Diocese of Sodor and Man	15
The Friends of Jurby Church, Jurby, Isle of Man	3
The Salvation Army, Mitcham, Victoria, Australia	41