



FaithInvest 2022 Annual Report

FaithInvest
(a company limited by guarantee)
Trustees' Report and Financial Statements
For the year ended 31 December 2022



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Martin Palmer, CEO and Dave Zellner, Trustee

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Foreword

Foreword by Martin Palmer / Dave Zellner

For someone whose entire working life has been in the charity and NGO world, entering the world of investment has been an eye opener! It has also been an exciting ride with new opportunities opening up, even while in our first three years we have had to face Covid; economic uncertainty in the finance world and the usual ups and downs of getting started.

We are now entering upon our next three years with a Strategic Plan which every member of the team helped shape. I feel we are, as a whole team, seeing the way forward through combining our faith knowledge capital with the investors' knowledge, all within the context of concerns by the faiths for people and planet.

And what has struck me most in the past year has been how much more we have learned about what faith-based investors need, what they find most difficult and what role they can play in protecting 'our common home'.

In 2019 when we started, we believed that if the faiths invested faithfully, this could begin to turn the world away from the destructive path of much of contemporary business and economics. I am even more convinced now that this is not only what the faiths can do, but perhaps most importantly, why they should do it.

The world needs a change of direction, away from excessive consumption and from considering sustainability, the environment or social justice as 'externals', and back to seeing that the role of finance is to enable the best we can be.

That is our vision as we set off into our next three years.



Martin Palmer

Founding President & Chief Executive



Dave Zellner

Chair of the Board of Trustees

2022 overview

In the life of a fairly new start-up organisation, every year is – or seems to be – especially important. And 2022 was a pivotal year for FaithInvest.

If 2021 was, as we reported, "a year of learning, connecting and planning, amidst the ongoing global struggles with Covid", 2022 was the year we used those insights to hone our strategy, met members of our network face-to-face for the first time, and held a major conference on faith-consistent investing (FCI).

As a result, we were able to move from our first three years of life into developing a Strategic Plan for the next three years – 2023 to 2025. This was approved by our Board at the end of 2022.

New Strategic Framework 2023-2025

Our learnings from all of these face-to-face meetings, discussions and conferences have helped to shape our new Strategic Plan, which focuses our work on four core aims over the next three years:

- Play a central role in building a broad-based, well-coordinated Faith-Consistent Investing Movement
- Serve faith asset owners and service providers through targeted support to achieve their defined FCI goals
- Sustain and strengthen partnerships in the Faith-Consistent Investing Movement
- Strengthen our governance, staffing and internal capacity to prepare for growth.

While our original purpose and mission remain the same, which is to grow the scale and impact of faith consistent investing for the benefit of people and planet, the Strategic Plan is a recognition of our strengths: for example, the breadth and depth of our faith knowledge capital alongside the breadth and depth of our investment knowledge capital.

It also recognises and honours the need to collaborate more deeply with others working in this space, and the potential impact to be gained by doing so, through developing trusted partnerships. Nowhere was this more clearly emphasised than in our very successful Bold Plans and Faith-Consistent Investing conference in October 2022, of which more later.

Faith knowledge capital

We have established FaithInvest as a key centre of religious knowledge and capital and this has been confirmed by the fact that we are one of the 'go to' places for organisations wishing to engage with faiths generally around environment and sustainability as well as faith-based asset owners in particular.

This 'religious capital' – an in-depth knowledge gained through our founding organisation ARC and through our links to groups who have worked on Catholic Social Teaching for years, means we can work in depth with almost any faith organisation in the world. As a result, we are already seen as a progressive and helpful organisation by groups wishing to explore the unique role faiths can play in protecting 'our common home'.

Tailored services and support

As we have engaged more with faith-based asset owners (FBAOs) in the three years since we were founded, we have learned that the layers of complexity and challenges facing faith groups required more diverse and individually tailored approaches than simply a peer community strategy.

For that reason, we have moved away from our original membership model, with its closed, 'for-membership-eyes-only' approach, to a network strategy where we invite people to join us as network subscribers, giving them access to more of our resources and to our FCI working group. Alongside this more open and inclusive approach, we are focused on providing one-on-one direct engagement of FBAOs and more personalised and tailored services and support. This deep dive has enabled us to better understand more generally, what FBAOs need to enable them to move into pro-active investing for people and planet.

FCI training needs

For groups that are at the beginning of their exploration into how they might make better use of their investments, we have also identified a strong demand for FCI training provision. Meeting these needs is a key element of our strategy for FaithInvest going forward. This now forms a major plank of our forward planning, and we are exploring training programmes with partner body Francesco Collaborative and with groups such as A4S. These will enable both faiths as well as secular organisations to have a better grasp of the way in which FaithConsistent investing can work for people and planet.

Meeting face-to-face

It was an enormous and long-awaited pleasure finally to meet members of our network and the FCI ecosystem face-to-face, as Covid-related restrictions to travel eased. This began in May 2022 with a successful series of gatherings for our Global Investment Forums, which took place London, New York, Chicago and Dublin, and culminated in our inspiring and energising Bold Plans and Faith-Consistent Investing conference in October 2022, which brought together over 100 representatives of faith groups, the finance industry, faith networks and faith-based environmental and development NGOs.

We also held a very important series of face-to-face meetings with Asia-based faith groups, including in-person meetings of representatives of Buddhist, Hindu, Shinto, Catholic and Confucianist groups from Thailand, India, Japan and Indonesia, with others joining remotely from the Philippines, Japan, China and Sri Lanka.

Reference and administrative details

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	David Henry Zellner Shaunaka Rishi Das Hayu Prabowo Julie Robinson Hammerman
Company registered number	11862410
Charity registered number	1187015
Registered office	c/o Stone King Llp Boundary House 91-93 Charterhouse Street London EC1M 6HR
Accountants	Grant Thornton UK LLP 300 Pavilion Drive Northampton Business Park Northampton NN4 7YE
Independent auditors	Richardson Swift Audit Limited 11 Laura Place Bath BA2 4BL
Solicitors	Stone King Llp Boundary House 91 Charterhouse Street London EC1M 6HR

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2022.

Trustees

David Henry Zellner
Shaunaka Rishi Das
Susan Smith Makos (resigned 21 March 2022)
Hayu Prabowo
Julie Robinson Hammerman

Registered number: 11862410

Charity number: 1187015

Trustees' Report

For the Year Ended 31 December 2022

1) Objectives and activities

Charitable Purposes

The principal purpose of the charity, as set out in our governing document is: To promote the efficiency and effectiveness of charities, in particular but not exclusively faith charities, through the provision of advice, information and training on the subject of making ethical investments, which for the purpose of these objects is defined as a financial investment that takes into account those charities' values and ethos.

Our Vision is a world in which faith groups and people of faith, motivated by their passionate conviction that investing in line with their values will achieve a just and sustainable world, actively use their investments for the benefit of people and planet.

Our Mission is to grow the scale and impact of faith-consistent investing worldwide by supporting faith groups to invest in line with their values, for the benefit of people and planet.

We believe that by supporting the development of a vibrant global movement of faith communities actively and boldly transforming how they direct their investments to support people and planet, together we can address our current environmental crises and achieve a just and sustainable world.

Our aim is therefore to enthuse, encourage and support faith groups (whatever their size, geography, and sophistication of investment portfolios) to invest in line with their values and beliefs and to identify opportunities for them to be truly transformative in their approach.

When FaithInvest was launched in 2019, there was very little discussion of faith-consistent investing (FCI) or faith-based investing in the public domain. In the three years since then, we have been a key part of building a wider movement, instigating more information, debate and action around the importance and potentially transformative impact of aligning faith values and investments.

Due to the legacy and goodwill we inherited from our founding organisation, ARC, of key faith relationships and decades of experience of working with all major religious traditions, FaithInvest has become a significant voice in the FCI Movement and is uniquely placed to play a central role in developing it further.

Aims and objectives for 2022

1. **Build engagement with faiths:** Grow the range and number of faith institutions who engage with and benefit from our charitable purposes
2. **Increase faith-consistent investing:** Assist the movement of institutions making commitments to faithconsistent investing
3. **Create opportunities:** Aid the development of a pipeline of investable projects and opportunities for our target beneficiaries, faith-based asset-owning institutions
4. **Strengthen internal capacity:** Strengthen the core teams in the Membership and Movement building pillars of our work.

Main activities undertaken in 2022

We have delivered against our aims and objectives through delivery of the following key activities:

- Supported faiths through **forums, working groups and individual 1-1s** to align their values and investment policies (Aims 1 and 2)
- Worked with partners to **build the movement** of faith groups wishing to use their investments to achieve positive outcomes for people and planet, and **providing a voice** for faith-consistent investing (Aims 1 and 2)
- **Convened spaces** and events for investment ideas, innovation, opportunities and collaboration, including working with Climate Investment Funds to explore establishment of a Multi-faith Just Transition Climate Fund (Aims 1, 2 and 3)
- **Provided research, resources and training** to faith groups on faith-consistent investing (Aims 1 and 2)
- Recruited additional staff to **increase FaithInvest's internal capacity** (Aim 4)

Through this combination of approaches, we have successfully raised awareness, provided key resources and research material to groups wanting to engage, and subsequently provided in-depth one to one support where requested, to support the implementation of FCI for the early vanguards of this movement.

We have provided faith groups with the confidence, tools and impetus to demand more of their investments.

In doing so, this in-depth support has provided FaithInvest with significant learning around the needs and challenges faced by faiths in delivering this agenda, and therefore a greater understanding of how we can now work to scale our support and increase momentum in this vital area, to achieve our goals of greater social and environmental justice.

Grant Making

In accordance with the aims and objectives of the charity as set out above, FaithInvest's policy during 2022 was to make small seed grants, as part of our FaithPlans Programme, to institutions for the purpose of supporting FCI activities and, in particular, for developing Faith Plans (long-term plans for faiths to look at how they can use their assets, investments and influence for people and planet).

Faith Plans participant grants

£1,200 Christian Community Development Association (Kenya)
£1,200 Women against Poverty (partnership for Green Future) (Tanzania)
£1,200 All Saints Cathedral Diocese (Kenya)
£1,200 Association de Jeunes Visionnaires pour le Developement du Congo (Congo)
£1,200 Dioceses of Kakamega Justice and Peace Commission (Kenya)
£1,200 JPIC Franciscans Africa (Kenya)
£1,200 Solidarite pour la Protection des Droits de l'Enfant (Congo)
£1,200 Groupe Scout Espoir de Gitega (Burundi)
£9,600

Over the course of 2022 we awarded eight grants to faith organisations to develop their Faith Plans, and also six grants to key partners that have supported delivery of FaithInvest's objectives.



Take action today
for people and planet

Join the movement

Faith Plans partner grants

Amount	Recipient	Purpose and outcomes
£5,000	Bhumi Global	<i>Hindu focus:</i> Bhumi Global received this grant to engage specifically with Hindu faith organisations around the world on the development of Faith Plans. Workshops on the Faith Plans concept were conducted with several Hindu associations. These included the United Madrassi Association, the Pakistan Hindu Council, the Love Braj organisation, the Hindu Life Program at Princeton University, Hindu Life Georgetown, and the Sri Siva Vishnu Temple (Washington D.C.). As of March 2023, we are awaiting receipt of draft Plans from these organisations.
£3,000	Ethiopian Council of Gospel Believers Churches (Ethiopia)	<i>Christian focus:</i> ECGBC is a key partner of Faith Plans with considerable reach across Ethiopia. It received this grant to build capacity and resilience amongst member churches by developing long-term Faith Plans. The grant was used to conduct workshops on the seven key areas of the Faith Plans and planning sessions on creating a Faith Plan to improve environmental resilience. Workshops engaged with 85 key leaders, and a draft Faith Plan was received, representing three regional assemblies of the ECGBC. (As of March 2023, we are awaiting an updated Plan, information on the estimated reach of the regional assemblies and how ECGBC's faith values have informed its Plan).
£14,568	WWF's Beliefs and Values programme (UK)	<i>Faith and conservation focus:</i> This grant was used to collaborate with the WWF B&V programme and WWF national offices to engage faith communities in the development of Faith Plans. It supported the development of draft Faith Plans by the Central Monastic Body of Bhutan, and the Nepal Buddhist Federation, and engagement with Buddhist organisations in Cambodia to promote the Faith Plans concept. Specific outcomes include consultation with over 180 monasteries across Nepal on development of their Faith Plan, newly established links across regions, and as of March 2023, a draft Plan has been received by the Monastic Body in Bhutan and a draft Plan, by the Nepal Buddhist Federation is near completion. This grant was also used to collaborate with a WWF consultant in Kenya to drive on the ground engagement with 10 faith communities in the East and Central Africa regions. In addition to direct engagement, three workshops were conducted on developing a Faith Plan. As of March 2023, six draft Faith Plans were received. All communities were encouraged to develop their Faith Plan with a specific conservation focus, using the WWF tree growing guide for faith groups to build knowledge, best practice, and good long-term planning.
£14,751	Associazione Internazionale New Humanity (Italy)	<i>Catholic focus:</i> This grant utilised the global reach of the Focolare Movement to build awareness and encourage the development of community-led Faith Plans. The grant supported the development of the Focolare EcoPlan and the roll out of a seed-funding initiative which provided support to 15 grassroots Focolare initiatives around the world to develop local Faith Plans.
£3,000	TRAFFIC Vietnam (Vietnam)	<i>Buddhist and conservation focus:</i> This grant was used to promote Faith Plans as a faith-led tool for wildlife conservation amongst Buddhist associations in Vietnam. Aimed at empowering the Vietnam Buddhism sector to conserve wildlife species via social behaviour and change, TRAFFIC disseminated the Buddhist guide to developing a Faith Plan to Sanghas (Buddhist monastic orders) it works with on conservation. Direct engagement took place with the Vietnam Central Buddhist Association and with individual monasteries to assess potential to create Faith Plans. The grant is supporting the development of a joint Faith Plan from three Sanghas focusing on faith assets and wildlife conservation.
£1,000	Center for Islamic Studies (PPI) Universitas National (Indonesia)	<i>Muslim focus:</i> This grant was used to engage specifically with a Muslim focus. The grant supported the promotion of the Faith Plans framework as a tool for building educational capacity and awareness in three Pondok Pesantrens (Islamic boarding schools). Outcomes included the development of student task forces in these boarding schools to develop Faith Plans for their schools. As of March 2023, we are currently waiting for receipt of draft Plans.
£41,319		

Further information on our FaithPlans programme is provided in the Achievements section below.

Volunteers

We have received the support of two key volunteers during the course of 2022.

- **Michael Even** - our co-founder and volunteer Director of Investment Strategy & Research, who during 2022 supported us on a permanent basis, contributing on average 10 hours per week.
- **Paul Goldwhite** – Paul has provided us with support in relation to research, of approximately 35 hours

We would like to sincerely thank our volunteers for the considerable support they have provided to FaithInvest over this period.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales

2) Achievements and performance

Aim 1: Build engagement with faiths

FaithInvest engages faith groups on faith-consistent investing and develops partnerships with like-minded organisations as part of our **Build the Movement** strategy. We believe that by supporting the development of a vibrant global movement of faith communities actively using their investments for people and planet, we will achieve a just and sustainable world.

And by strengthening partnerships in the FCI Movement, we will create more momentum, accelerate more action, have more impact and be more successful in addressing global crises and in creating a better future for us all.

Key achievements in 2022 for Aim 1

1.i. Catholic Partnerships

A clear focus for FaithInvest's Movement Team in 2022 has been on strengthening the partnerships with the Vatican and Laudato Si' Movement (LSM) on Catholic investing, particularly in light of the Laudato Si' Action Plan initiative which over 5,000 Catholic groups have signed on to.

1.ii. Living Laudato Si' Resource Hub

In May 2022, we launched our Living Laudato Si' online resource hub, housed on FaithInvest's website to support the Laudato Si' Action Platform (LSAP), the Vatican's website aimed at inspiring action based on the Pope's ground-breaking 2015 encyclical Laudato Si'.

Ecological economics is one of the seven LSAP goals; our online resource hub focuses on providing additional resources and building a peer community of faith-finance expertise to drive investment alignment.

The hub contains case studies and guides for Catholic institutions on how to align their investments. This unique collaboration was unveiled on 26 May 2022 during a special investor hub event as part of Laudato Si' Week for a global audience of 4,000 people.

We have continued this work through an online 'deep dive' workshop for Catholic investors (see Liveable Futures, below) and tailored webinars on topics such as sustainable banking and Catholic impact investing (in collaboration with key partners).

1.iii. Liveable Futures

FaithInvest partnered with the Francesco Collaborative to host a virtual Liveable Future Investing Workshop to support those seeking to align LSAP's ecological economics principles and goals with their investment activities.

The goal of the Liveable Future Workshop, which took place Oct 1 - 21, was to create space for learning and collaboratively embark on our "most important work" as asset stewards, people of faith, and protagonists of a new economy.

Our efforts to recruit participants for the workshop reached 130 people, and we were successful in recruiting a dynamic cohort of 21 individuals from all over the globe – including South Africa, Spain, Singapore, Belgium, Ireland, and Canada. Participants included representatives from private foundations, investment committee members for religious congregations, leaders of international NGOs, impact investment fund managers, and values-aligned investment service providers.

The testimonials from workshop participants were remarkable; many described the experience as "transformative" and "generative". One participant wrote:

"I can honestly say I have never had a learning experience like this – it's so collaborative. My takeaways are many...the comments on my post have caused me to think deeply about how much more I can do to be better at what I do."

1.iv. Partnership with the Vatican

We officially began our partnership with the Vatican Dicastery for the Promotion of Integral Human Development in September, with Elizabeth Garlow (Senior Consultant) and Lorna Gold (Director of Movement Building) as the point people.

This project will run throughout 2023 with potential to extend further. Elizabeth spent the first two months within the Dicastery seeking to embed and build relationships with some of the key team members, including the head of the Research and Reflection division, Dolores Sanchez, who participated in FaithInvest's conference this October and is our main point of contact.

Since beginning this relationship, we have developed an overview of the key points from the new Vatican IPS for the Dicastery team. We also have been providing an education for them on the broader Catholic investing ecosystem. Whilst this work has a strong Catholic focus, we see significant advantages in working closely with Pope Francis, given his convening role in harnessing multi-faith action on environmental and social issues.

FaithInvest will be providing direction to the Dicastery on how to support all Catholic institutions across the world to align their investments to Catholic values, particularly Laudato Si'. We foresee opportunities for joint high-level meetings of financial leaders and multi-faith leaders in 2023.

1.v. An Tairseach Ecology Centre, AMRI and Trócaire

A deepening partnership has also started to develop specifically in Ireland, building on the partnerships with An Tairseach Ecology Centre, the Association of Leaders of Missionaries and Religious of Ireland (AMRI) and Trócaire – key partners in the successful May hub/workshop on Laudato Si' Investing. We were invited to give a workshop on FCI at the An Tairseach Centre in November for the global sabbatical programme, and in late October a joint seminar was held with the Catholic Impact Investing Collaborative (CIIC) in Curry Hills Focolare Centre. This was attended by around 30 Irish-based religious asset owners who wish to deepen their connection to FaithInvest and/or CIIC.

1.vi. Working with partners through Faith Plans

The purpose of our FaithPlans initiative is to support faith communities to develop long-term faith commitments to use their buildings, lands, investments and influence to drive practical action to create a better world – for the benefit of people and planet, and for today's and future generations. Over the course of 2022, we provided a programme of monthly online events and a monthly newsletter. Faith Plans events included:

a) **How to develop a Faith Plan** – Early lessons for long-term success: Discussion-based workshop for exchange and learning, with guidance from contributors who have already developed a Faith Plan or who are in the early stages of doing so. Included discussion of key processes involved in developing a Faith Plan; what a 'good' Faith Plan looks like; and support and resources: www.youtube.com/watch?v=KihJncD2TCY

b) **Faith-Based Tree Growing**: Organised with the WWF Beliefs and Values Programme, this webinar explored how faith organisations can develop tree planting as part of their Faith Plan and meet both religious and conservation goals, and offered practical guidance. Speakers were from WWF Beliefs and Values, UNEP Faith for Earth Programme, EcoSikh, the Anglican Communion Environmental Network, Trillion Trees, the Kenya Faith tree growing project: www.faithplans.org/webinar-catch-up

c) **Faith and Food**: Transforming the global food system, delivered in partnership with EAT Foundation, focusing on the actions we can take as individuals and as faith organisations, with specific examples of projects and further resources. Speakers were from FaithInvest, the EAT Foundation, Hazon and A Rocha Uganda: www.faithplans.org/webinar-catch-up

d) **Aligning Focolare spirituality with environmental initiatives**. Online webinar hosted by the Focolare, introducing 15 grassroots initiatives that align Focolare spirituality with environmental initiatives to tackle local environmental and economic challenges, while drawing on Focolare beliefs and values and its community assets and resources. We introduced the Faith Plans programme and the important partnership between worldwide Focolare movement and FaithInvest.

e) Introduction to the FaithPlans programme. We joined WWF Kenya to introduce the Faith Plans programme to Christian, Hindu, and Muslim organisations from the Congo, Burundi, and Kenya, and to discuss the relevance of using faith-based assets and resources to address local environmental challenges in these regions.

Faith Plans resources

We have developed a **range of resources** to support groups who wish to develop a Faith Plan, including a planning and action guide, template guide on creating a Faith Plan, and the translation of existing FaithInvest materials into eight different languages. Faith communities can now upload their final long-term plans to the Faith Plans website.

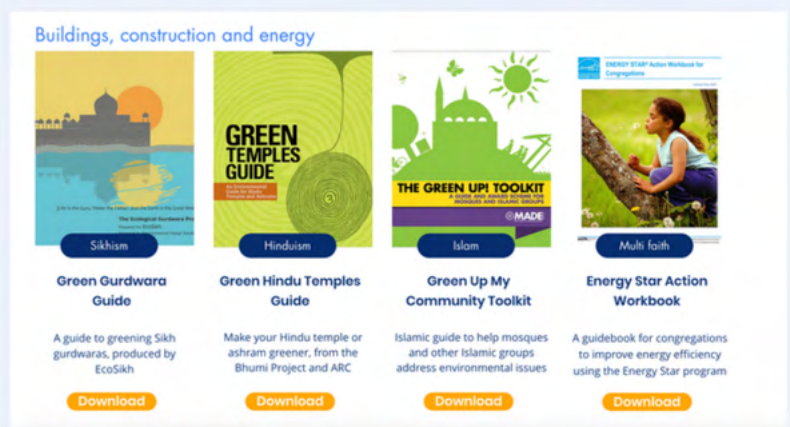
Focused outreach

We have undertaken **focused and targeted outreach** in partnership with WWF's Beliefs and Values programme – with the Nepalese Buddhist Federation, the Vietnam Central Buddhist Association, with a range of faith organisations across Kenya, in Cambodia and Indonesia. This is in addition to administration of the small grants programme to individual faith projects.

As a result of this work, several programme partners are now implementing **focused outreach within their networks**. These currently include Bhumi Global; the Focolare Movement; the Ethiopian Gospel Believers Council; the Brahma Kumaris; and the Catholic University of Eastern Africa.

In-depth conversations are also taking place with UNEP Faith for Earth Initiative on a specific programme of engagement, and with the United Religions Initiative; the SDG Faith in Action Platform; and the Laudato Si' Action Platform.

Feedback sessions were held with partners, to generate a greater sense of collective input into the programme.



Successful outcomes included:

- Growth in the readership of Faith Plans newsletters from 141 recipients in November 2021 to 316 recipients in December 2022. Our open rates are, on average, considerably higher than our peers (43.6% vs 25.17% for non-profits and 27.62% for religious organisations, according to industry leader Mailchimp).
- We held five workshops and webinars, with a total of more than 200 people registered, and speakers from UNEP, WWF UK, A Rocha Uganda, Hazon, the Evangelical Lutheran Church of Tanzania and the EAT Foundation, amongst others.
- Faith Plans involvement and participation in the civil society spaces of several high-profile environmental Summits – including COP26, the UNEA 5.2 (the Fifth session of the United Nations Environment Assembly) and Stockholm+50 (June 2022), the 50th anniversary of the first UN conference on the environment.
- Close strategic collaborations with eight organisations in the faith and ecology space and broader partnerships with more than 30 faith and secular organisations actively involved in the faith and ecology nexus, as well as broader environmental and development focuses, as seen on our partnerships page.
- 112 commitments to develop Faith Plans and 56 expressions of interest in the Faith Plans framework, including five dedicated Buddhist Faith Plans with considerable reach, representing associations in Cambodia, Vietnam, Nepal and Bhutan. Direct engagement with 21 faith communities representing Christian and Muslim organisations in parts of East and Central Africa.

Towards the end of the year, we undertook a review of the Faith Plans programme and are now working to develop a more systematic and automated workflow to groups wishing to develop a Faith Plan.

This approach enables a much broader reach and scope of the programme and allows for self-directed learning and engagement at a pace that may be more suitable for faith organisations, whilst being in line with the resource capacity of the Faith Plans team.

Aim 2: Increase faith-consistent investing

FaithInvest's Investment Solutions team leads our engagement of faith-based asset owners (FBAOs) on developing faith-consistent investing policies, guidelines and practices.

By providing targeted support, we can help faiths to align their investment policies with their values, and so achieve their FCI goals, while meeting our own goal of increasing faith-consistent investing.

When we launched FaithInvest in 2019, it was with a membership model and a Grow the Membership strategy. However, a few months after we were founded, the global Covid pandemic hit, leading to multiple national lockdowns and an inability to travel or meet in person for two years.

In addition, as we engaged more with FBAOs, we learned that the layers of complexity and challenges facing faith groups required more diverse and individually tailored approaches than simply a peer community strategy.

For that reason, our strategy changed in 2022 and we have now moved to an open access, network approach, rather than providing gated content behind a Membership Portal.

The Membership team has been renamed Investment Solutions and we focus on building one-on-one direct engagement and assisting FBAOs with more personalised and tailored services and support.

We have also identified a strong demand for FCI training provision for groups at an early stage of their FCI journey, which will form a core part of our strategy going forward.

Key achievements in 2022 for Aim 2

2.i. Research and thought leadership

Through the delivery of pioneering, proprietary research and thought leadership in our reports, Regional Forums, media and conference presentations, we have established a strong case for the relevance and importance of faith-consistent investing.

For example, our Good Intentions study has provided a compelling articulation of the key issues and opportunities for taking forward faith-consistent investing, while our Impact Investing Roadmap white paper provided guidance on how faith-based investors can design and implement an impact investing programme that meets their needs.

As an active partner in the FBAO ecosystem, we also contributed a response to the Global Impact Investing Network's (GIIN) request for public consultation on their Guidance Report for using listed equities for impact, conducted by GIIN's Listed Equities Working Group.

2.ii. Investment Forum Hubs

We have turned our thought leadership strategy into action by engaging with faith-based asset owners via five Investment Forum Hubs in London, Ireland, New York, Chicago, and Bali, demonstrating an understanding of the challenges they face and their specific needs to make sure that our work provides solutions to both, and resonates with these groups.

There was a very strong turnout (over 100 participants) at the Ireland meeting due to pre-existing relationships and partnering with AMRI, the Association of Leaders of Missionaries and Religious of Ireland, which allowed us to invite a well-established and engaged network to the meeting and has been instrumental in building momentum within the Irish Catholic faith community.

Attendance at the other hubs was lower, and although these have led to a number of faith-based asset owners asking us for follow-on work, engaging with them further on a one on one basis, we have determined that the level of resources used for their delivery was less impactful than we would have hoped. In futures, hubs will be developed on a demand-led basis to ensure effective use of resources.

For our one-on-one work, we are currently tracking a total faith-based asset owner AUM (excluding assets for one particularly large group) of US\$2.5b, ranging in size from \$3 million to \$800 million. In addition:

- Average project start date: July 22
- Most common project: IP&G review / drafting, FCI education

While we are currently active on four one-on-one projects, which is at about our team's capacity, we are tracking 24 individual one-on-ones in various stages.

2.iii. Investment Working Groups

We delivered a variety of working group meetings – fast-paced, highly focused and productive 45-minute meetings for members of our network – to discuss key issues facing FBAOs. These included:

- **February: Mobilising your Assets for People and Planet.** This workshop provided practical advice on what is meant by faith-consistent investing; how you assess what kind of assets you have, and how you develop faith-consistent investing policies. We heard about the Evangelical Lutheran Church of Tanzania's decision to set up its own bank and what difference that has made to its members, and how the divestment movement is prompting faith groups to re-evaluate how their assets are being used. The workshop can be viewed here: www.youtube.com/watch?v=-2vXzPNah_U
- **March: Faith-Consistent Investing working group.** This event focused on helping asset owners root their investment policies and guidelines in faith-based principles, and designing solutions to help asset consultants, managers and other service providers better align their services and solutions to faith-consistent investing principles addressing the needs and of faith traditions.
- **July: Impact Investing Working Group:** At our second Impact Investing workshop session of the year we followed our Impact Investing Roadmap: Alignment vs. Impact, mission-driven vs mainstream delivery of impact and returns, and the concept of net benefit tradeoffs. We featured speakers from two organisations focused on mission-driven Impact and returns: Responsible Finance, on UK CDFI and Vita, on investable structured vehicles for Impact Investing in Africa.
- **December: Faith-Consistent Investing working group.** This focused on the relationship between ESG and its effects on the real economy and included guest speaker Professor Atul K Shah who sharing his response to research report from University of Zurich's Center for Sustainable Finance and Private Wealth, reviewed by team member Hasnane Arain.

2.iv. One to one service delivery

We have now refined the range of services that we are able to offer to individual faith-based asset owners, ranging from:

- Faith and Investment Staff / Board / Committee Education;
- Review, scoring and development of Investment Policy & Guidelines Statements;
- Support to translate and incorporate key beliefs, teachings and values applicable to individual faiths;
- Support with research into potential investment products; and support with investment governance, mandates and strategies. This has included the development of methods, tools, information and materials, all of which are now being used within the one-on-one engagements.

As a result of this engagement, we have successfully built a pipeline of 24 faith-based asset owners and provider one-on-one engagements (four currently active), with a combined AUM value of US\$2.5bn, individually ranging from \$3 million to \$800 million.

Aim 3: Create opportunities

FaithInvest seeks to aid the development of a pipeline of investable projects and opportunities for our target beneficiaries, faith-based asset-owning institutions.

Key achievements for Aim 3

3.i Multi-faith Just Transition Fund

We have been discussing the potential for a multi-faith just transition fund offering low-risk, large-scale impact, modelled on the Climate Investment Funds, one of the world's largest multilateral funds for climate action, helping low-income countries adapt to and mitigate climate change.

In March 2022, we organised a roundtable discussion, co-hosted with Climate Investment Funds, looking at what a just transition meant from a faithconsistent investing perspective (see below).

In November 2022, in collaboration with Climate Investment Funds, we announced the development phase of a new multi-faith fund that would, for the first time, enable faith groups to invest in large-scale, climate-smart projects to support vulnerable communities.

The Multi-faith Just Transition Fund (MJTF) is a key initiative in a new multi-faith, multi-sector alliance which was launched at COP27 to enable faith and secular partners to work together on climate action.

FaithInvest is a key partner in that Alliance and the MJTF one of its flagship projects. There is still much work to be done to make the fund a reality but this is an important new stage of a project that has been in the planning for two years.

3.ii. Bold Plans conference

An important (and hoped-for) side-effect of our Bold Plans and Faith-consistent Investing conference was the forging of new relationships between different groups, with the opportunity for mutual learnings and potentially, partnership.

For example, the Lutheran World Federation, which is working on a Faith-Based Development Impact Bond, and the World Evangelical Alliance, which has a WEA Global Foundation Fund (Donor-Advised Fund) and a WEA Charity Fund, had never discussed their fund activities before and are now exploring how they might collaborate further.

3.iii. World Evangelical Alliance

FaithInvest and WEA are in active discussions about a collaboration agreement in which they will work together to grow faith-consistent investing globally to achieve a more just and sustainable world.

Areas under discussion include opportunities for WEA's network to access FaithInvest's training, services and expertise; joint events and projects; and sharing expertise in developing financial vehicles to fund faith-based projects.

3.iv. China Daoists

We are in discussion with China's Daoists about establishing a Daoist investment hub. We will build upon the 2000-year-old Tai Ping Jing as a Daoist foundation text – bringing its broad principles of management into the 21st century and especially as advice to lay Daoist entrepreneurs and business investors.

Aim 4: Strengthen Internal Capacity

In reflection of FaithInvest's growth and development over the three-year period since its launch in 2019, 2022 saw the recruitment and appointment of a COO. Over the remainder of the year, we have:

- Reviewed and strengthened all of our internal systems and policies, specifically in HR and Finance
- We have undertaken a process of strategic review and developed a new strategic plan for the coming threeyear period. Alongside this, we have restructured our core team to better meet our emerging and ongoing needs
- Meanwhile, the communications team has led on the implementation of a new, more fit-for-purpose CRM system to improve data capture and retention of institutional knowledge.

5. Cross cutting activities

5.i. Events

To support both our Movement and Investment Solutions teams, we have delivered a wide range of events through 2022, specifically our Investor Hubs and Working Groups, and Faith Plans workshops outlined within the relevant sections above.

These have worked to raise awareness, inspire and enthuse our partners in this agenda, while also providing more practical tools and connections for those wishing to move forward on delivery. These culminated in our key event for 2022, which was our Bold Plans Event in October.

5.i.a. FaithInvest events

Bold Plans (October 2022)

This two-day event saw more than 100 people come together at the beautiful venue of Christ Church Spitalfields to discuss how to catalyse faith-consistent investing and move a greater proportion of faith-owned funds into initiatives aimed at creating a better future for people and planet.

They included representatives of faith groups, the finance industry, faith-based environmental and development NGOs, networks such as GreenFaith, Operation Noah, Interfaith Center on Corporate Responsibility, Catholic Impact Investing Collaborative, Global Impact Investing Network, Impact Investing Initiative, Accounting for Sustainability (which supported us in organising this event) and others, as well as thought leaders in sustainable finance such as Mark Campanale, founder of Carbon Tracker Initiative.

FaithInvest's unique role in being able to convene this wide-ranging group of people, was highlighted and through inspiring talks and panels, roundtable discussions and networking opportunities, we had enabled conversations to take place and collaboration and dialogue to catalyse and flourish. 'Excellent', 'riveting', 'inspiring', 'mind opening' and 'uplifting' were some of the words used to describe the event.



'The message we're hearing is that this *is* possible, we *can* create a future where everyone and everything thrives. And that has been, for me, one of the most empowering, reassuring and uplifting energies of the last two days'

– Amy Clarke, Tribe Impact Capital

FaithInvest Asia meetings

We made a long-planned trip to Asia to meet key faith partners and take part in the Transformational Business Network (TBN) Asia conference. Meetings included:

- **Collaboration in a Post Pandemic World, Bali:** This TBN Asia conference brought together more than 500 social entrepreneurs and impact investors (371 in person, 149 online). FaithInvest CEO Martin Palmer led one of the plenary sessions on faiths and values-driven investing which included FaithInvest Trustee Hayu Prabowo (Chair of Environment & Natural Resources, Islamic Scholars of Indonesia) who discussed Green Wakfs as an alternative instrument for financing green or environmentally friendly projects. FaithInvest's Director of Investment Solutions Mathew Jensen led a deep dive session on faithconsistent investing and also took part in two pitch sessions where businesses presented their case for impact investment.
- **Meeting with key faith partners:** Included Buddhist, Hindu, Shinto, Catholic and Confucianist groups from Thailand, India, Japan and Indonesia (in-person) with others joining remotely from the Philippines, Japan, China and Sri Lanka.
- **Islamic Banking School lecture:** Martin, Mathew and Hayu delivered a three-hour lecture and discussion on faith-consistent investing and impact investing at the Indonesia Banking School in Jakarta. More than 500 students attended, as well as government officials and key Muslim faith leaders, both in person and online.
- **Meeting with Caritas Indonesia:** We met senior leaders of Caritas Indonesia (the Catholic Church's humanitarian agency) and shared our work on faith-consistent investing and learned about their role in establishing credit unions across Indonesia from the 1970s onwards.



5.i.b. Attendance at other key partner events

In order to raise our profile and reach a wider audience, we spoke at a much wider range of partner events. These included:

January 2022

- **Drylands Dialogue event:** The China Biodiversity Conservation and Green Development Foundation (CBCGDF) held the Drylands Dialogue event in January 2022 and Martin Palmer provided a keynote speech.
- **Big Bold Jewish Climate Fest, online:** This year's theme was on building a movement by investing in solutions and shifting away from systems and practices that perpetuate climate destruction and inequity. FaithInvest's Dr Lorna Gold spoke in the session on 'Navigating Local Resources and Connections to Take Action'.
- **Climate Crisis:** FaithInvest CEO Martin Palmer joined the Othona Community in West Dorset for Climate Crisis, a residential and online event which explored the most pressing questions of our time, asking: 'What can we do?' He spoke about FaithInvest's Faith Plans programme and the faiths' influence globally.
- **Daring to Hope: Faith and the Struggle for Climate Justice, online:** FaithInvest's Director of Movement Building Lorna Gold gave the annual Memorial Lecture at this event organised for Peace Sunday by the Archdiocese of Liverpool's Justice & Peace Commission: www.youtube.com/watch?v=B22U2KTQzhw&t=1s
- **GAF Faith-based Investment Conference, online and in person in Geneva:** The conference focused on 'Scaling-up Opportunities and Partnerships', and was a mix of roundtables, working groups and panels. It was co-hosted by FaithInvest, the Geneva Agape Foundation, the World Evangelical Alliance's Business Coalition, and the World Council of Churches. One of FaithInvest's roles was to open the programme up to ensure other faith traditions are represented alongside Christianity.

February 2022

- **The Fletcher Initiative, Tufts University:** FaithInvest CEO Martin Palmer gave the keynote speech at the Sixth Annual Conference: Religion, Science and Diplomacy. The conference explored the nature of the tensions and synergies between religion and science.
- **UNEA 5.2: Faith for Earth Dialogue Session:** FaithInvest CEO Martin Palmer joined a panel of speakers in the session entitled: 'What the world expects from FBOs and what we should do?'. Others included Fletcher Harper (GreenFaith), Yonatan Neril (Interfaith Center for Sustainable Development), Chantal Elkin (WWF Beliefs & Values Programme) and Jakir Manela (Hazon), moderated by Rev Susan Hendershot (Interfaith Power and Light). Organised by UNEP's Faith for Earth Initiative at the UN's Environment Assembly (UNEA- 5): www.youtube.com/watch?v=SLy7AdI20tc

March 2022

- **UNEA 5.2: Faith for Earth Dialogue Session:** FaithInvest Director of Movement Building Lorna Gold joined the United Religions Initiative and UNEP Faith for Earth Initiative to lead a dialogue session entitled 'Local Challenges, Local Solutions: Faith Groups for Climate Action': www.youtube.com/watch?v=W6jzMilNxLk
- **Roundtable: What is a Just Transition?** Philosophy, Process and Fund proposals: Our roundtable discussion, delivered by Climate Investment Funds and co-hosted by FaithInvest, focused on just transition structures built on faith-consistent investing principles. These integrate positive environmental and social outcomes at acceptable risk-adjusted return levels, to mobilise capital to address environmental and related crises. This was an invitation-only event for faith-based asset owners.
- **The unique Daoist understanding of the climate crisis:** Organised by the Manchester China Institute, FaithInvest CEO Martin Palmer discussed how in 2009 the Daoists launched their first eight-year plan to combat climate change and address biodiversity issues. In China's most recent Five-Year Plan, Daoists have been given a central role in civil society programmes on environmental education and action – the first time any faith has been highlighted in any of the Five-Year Plans.

June 2022

Stockholm+50: FaithInvest sent a delegation to Stockholm to participate in this international event commemorating 50 years since the 1972 UN conference which made the environment a pressing global issue for the first time. We also hosted a number of associated in-person side events. These included:

- **Faith Actors and Policy Making:** how and why should we include faith voices in climate policy? Dr Lorna Gold, Director of Movement Building at FaithInvest joined LM International (Läkarmissionen), IAS Kenya, and the Swedish Mission Council in this panel discussion.
- **Faith Plans – Turning Commitment into Action:** Workshop in partnership with LM International, exploring how to apply faith as a catalyst within faith-community life to bring about social and ecological transformation, as well as the relevance of Faith Plans to local resilience and capacity building.
- **Guided by Faith: Faith Plans Renewing People and Planet:** On this final day of the Stockholm+50 international summit, FaithInvest, The Focolare and the Brahma Kumaris co-hosted this evening event celebrating the work of faiths on restoring right relationships with each other and with our planet. This event featured the Faith Plans, an initiative by FaithInvest.

July 2022

- Q&A Session for the Livable Future Investing Workshop: A leadership workshop for asset stewards, organised by the Francesco Collaborative in partnership with FaithInvest to provide more information about the Livable Future Workshop, a three-week online course planned for October 2022.

September 2022

- **FaithInvest and The Focolare partnership:** For details, see Faith Plans above, page 10 1.vi (d).

October 2022

- GIIN Global Investor Forum: Steven Owen from FaithInvest attended the GIIN Global Investor Forum, the largest in-person global gathering of impact investors. It provided the opportunity to build relationships, discover opportunities, share insights, and learn the latest industry developments. Steven was also invited to represent FaithInvest and participate in the GIIN Faith-based Convening, prior to the Global Investor Forum. Panelists included representatives from Christian Super, Cordaid, and FIIND Impact amongst others.

November 2022

- **Faith-based Investing Roundtable:** Martin attended and participated in a roundtable event, organised and hosted by The Church Pension Fund, focused on faith-based investing.
- **The Right to a Healthy Environment – Faith and Ethical Perspectives:** Official side-event at the UNFCCC COP27. FaithInvest's Catherine Devitt was a speaker at this event which looked at the right to a healthy environment through ethical values and teachings. Organised by the Parliament of World Religions and UNEP Al Mizan.
- **COP27: Launch of a new Multi-faith/Multi-sector Alliance for Climate Action,** including announcement of plans to develop a Multi-faith Just Transition Fund. A new global-scale Multi-faith/Multi-sector Alliance for Climate Action, of which FaithInvest is a member, was launched at COP27. The aim is to accelerate climate action by bringing together multi-faith actors and their coalitions, and key secular actors, including governments, multilateral organisations and the private sector.
- **Operation Noah – Church Investment in Climate Solutions Report:** How and why should churches and faith institutions increase investment in climate solutions? This webinar discussed the issues and examined the findings of a new report into this issue. Organised by Operation Noah. Speakers included Lorna Gold, FaithInvest's Director of Movement Building.

- **Presidential Screening of The Letter: A Message for Our Earth**, Áras an Uachtaráin, Dublin, Ireland: Presidential screening of this feature-length documentary film about the Pope's ground-breaking 2015 encyclical, Laudato Si', told through the eyes of five representatives of those most affected by the climate crisis. FaithInvest's Dr Lorna Gold and Martin Palmer both feature in the film, Invitation-only event at Irish President

December 2022

- **Screening of The Letter: A Message for Our Earth**, Renshan Hall, St Patrick's Pontifical University, Maynooth, Ireland: Screening of this documentary film about the Pope's ground-breaking 2015 encyclical, Laudato Si'. Followed by a Q&A with Dr Lorna Gold, Martin Palmer, and award-winning director Nicholas Brown.



5.ii. Communications

2022 was a busy time for the comms team, which increased in capacity at the end of 2021 with two new members of staff. As well as seeing success in our targeted media outreach, we grew the number of subscribers to our newsletters (now 1,560 for the larger FaithInvest subscriber base) and followers on social media, added or enhanced many website pages, managed the transition from our Salesforce CRM to HubSpot, which required an enormous investment of up-front preparation for its successful launch and transition, as well as produced key documents such as our Bold Plans conference report and our Strategic Plan.

5.ii.a Media outreach

We achieved multiple media mentions in 2022, whether of FaithInvest, or our activities (eg, Faith Plans), in both financial and faith outlets. These also included TV and radio interviews globally (a small handful on the death of Queen Elizabeth II, due to Martin Palmer's long association with her husband Prince Philip).

While we have the challenge of being a niche area (faith-consistent investing) in a niche area (values-driven investing) within the finance industry as a whole, the quality of our media outreach improved, with more long reads in publications with significant reach. In addition, our own activities provided us with good stories (eg, our Good Intentions study). As a result, the total potential outreach of our media engagement amounted to 78.7 million people across the world.

Highlights of our media coverage include:

1. **Pioneers Post**, 'Faith-based investing can have meaning only in practice', 25 Jan 2022
2. **Devex**, 'What faith groups' move toward value-based investing means for NGOs', 16 May 2022
3. **Salt Lake Tribune**, 'Latter-day Saints and noted British conservationist envision a fast for the planet', 07 Aug 2022
4. **GreenMoney**, 'Good Intentions: What faiths say about how they invest – and how they can do more', 22 Nov 2022
5. **Pioneers Post**, 'New just transition fund set to tap faith groups' billions', 17 Dec 2022

5.ii.b. The Letter

Towards the end of 2022, we had some extraordinary meetings and media coverage due to our involvement in The Letter, the feature-length environmental documentary about the Pope and climate activists. The aim of the film is to share the Pope's landmark encyclical *Laudato Si'*, which has inspired so many people around the world, and encourage more people to take action to protect the living planet.

It was organised by the *Laudato Si'* Movement, which is chaired by FaithInvest's Director of Movement Building Lorna Gold – who appears in the film, as does Martin Palmer. The Letter has had a big and growing impact globally (8.7million people watched it on YouTube within the first two months or so).

FaithInvest has benefited from this level of interest and excitement, and The Letter offers the opportunity to reach a new demographic of people with messaging around faith-consistent use of assets, including investments.

5.ii.c. Websites

At the start of 2022, we had our main FaithInvest website; a dedicated Faith Plans website, and the Member Portal, which was a members-only resource and built on Salesforce's community platform.

Towards the end of 2022 we decided to drop the Member Portal, partly as a result of our decision to move away from Salesforce (not ideally suited for FaithInvest's needs), but mainly because (a) we felt an open network model that would be more effective than a membership model and (b) we realised that much of our Investment Solutions team's work was hidden from public view.

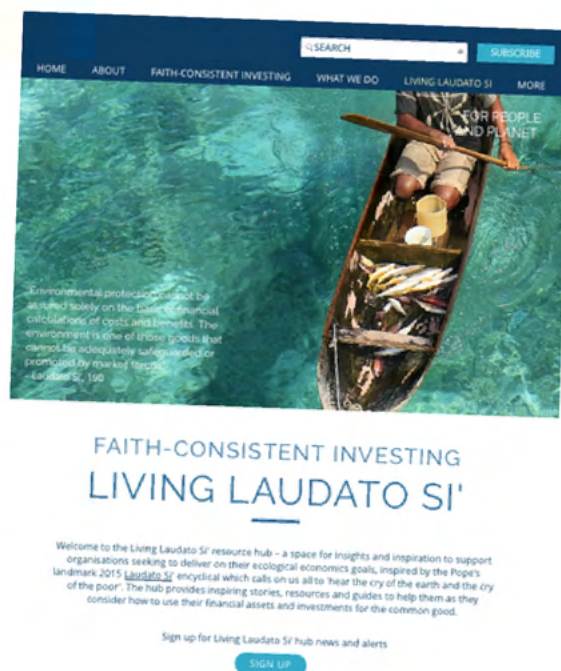
In the process we have extensively revised the language used on our FaithInvest website to better reflect our approach and added new pages such as:

- What we do (how our the Investment Solutions team supports FBAOs)
- Our network (more details about our activities such as our FCI interest group meetings; weekly posts from the IS team)
- Faith-consistent investing (an overview for first timers) FCI Insights (longer reads and video interviews).

Some of this is still work in progress as we continue to migrate content from the Portal to the main website. We have also added a Media page with contacts for the Comms team, links to our press releases and the latest news stories on FaithInvest, as well as revised the About page to include clearer signposting to our mission and values, theory of change, annual reports and Strategic Plan, as well as strengthened our language around what we stand for to make it clearer that we are a values-driven organisation.

In addition, we added an entire new section to the website, Living Laudato Si', a dedicated hub for organisations seeking to deliver on their ecological economics goals, inspired by the Pope's encyclical, Laudato Si'.

This comprises seven new pages of resources, guides and case studies. Extra pages and content were also created for the Faith Plans website during 2022.



- **Performance – FaithInvest website:**

- 5,567 site sessions (or visits to our website), mostly from the UK, US, Canada and Ireland, but also including visitors from the Global South such as Kenya, Indonesia and the Philippines. This was down by 45% compared to the previous year, but the extra numbers in 2021 are accounted for two huge spikes of interest:
 - In January 2021, after Martin Palmer and Lorna Gold led the BBC’s Sunday worship programme on the environment
 - In particular, in April through May 2021 following the death of Prince Philip, when Martin was interviewed by many media outlets
- 2,226 unique visitors (similarly down by 61%, due to the same factors above)
- However, while our visitor numbers are lower in 2022, the average session duration is up 19% to nine minutes, showing strong engagement with visitors (a good average site session is considered to be 2-4 minutes).



- **Performance – Faith Plans website:**

- 2,689 site sessions, up 75% on the previous year (although we only launched the Faith Plans website halfway through 2021). Mostly from the mostly from the UK, Ireland, US and Netherlands but also including visitors from the Global South such as Kenya, South Africa, Congo, India and Indonesia.
- 807 unique visitors, up 49% 11m 19s average session duration
- 11m 19s average session duration.

5.ii.d. Newsletters and email outreach

At the end of 2022, we removed dormant email addresses from our subscriber list to improve the quality of engagement with our supporters.

While this slightly reduced the number of subscribers on some lists, we believe this was necessary to ensure that our messages are reaching people who are genuinely interested in our cause. Overall, our newsletter subscriber numbers show an increase.

- FaithInvest newsletter: increased by 140 subscribers to 1,515 (despite major pruning of the list to ensure all contacts are engaged)
- Faith Plans newsletter: increased from 141 recipients in November 2021 to 316 recipients in December 2022.
- Living Laudato Si' Updates – a new, occasional newsletter with 238 subscribers
- FCI working group – has reduced by seven to 146 (but this smaller group has much deeper engagement)

5.ii.e. Social media

Our main social media accounts are Twitter (FaithInvest and Faith Plans) and LinkedIn (FaithInvest). When it comes to posting we follow a principle of quality over quantity. In all cases we grew our followers, and our posts have an average engagement rate of 2.57% (FaithInvest Twitter), 3.43% (Faith Plans Twitter) and 0.64% (LinkedIn) against the industry average of 0.054%.

5.iii. Fundraising

Our key fundraising activities have been focused on a small number of trusts and foundations. Fundraising is largely undertaken via our Chief Executive and Director of Movement.

We do not currently undertake other forms of income generation such as community-based fundraising or charitable trading, although we are now working to build the latter into our longer-term strategy.

Our key fundraising objective is to ensure long term sustainability for FaithInvest, and to support some additional areas growth, for example to facilitate the delivery our objectives around training delivery.

The fundraising environment however is very challenging at present, particularly for a new charity which has not yet had the opportunity to provide strong evidence of impact.

With the ending of our initial three-year start up grant from Porticus, and the closure of their work around Faith Consistent Investing, we have worked hard to engage and develop new funding opportunities, several of which we hope will come to fruition early in 2023.

3) Financial review

Review of the charity's financial position at the end of the reporting period

At the end of the reporting period, total reserves held were £471,059 (2021: £315,750). Of this, £5,641 (2021: £nil) represented restricted funds, and £465,418 (2021: £315,750) represented unrestricted funds carried forward to 2023. The charity also held deferred income totalling £372,619 (2021: £954,291). Based on our projected expenditure in 2023, this represents just over 4 months of unrestricted funding, and is therefore just above our current reserves policy.

Principal Funding Sources

Our key funders in 2022 included Porticus (3-year core grant ending in August 2022), GHR (two-year core grant 2022-24), Dicastery of Integral Human Development (restricted grant of £132,237), and Rufford Foundation (restricted grant of £20,000).

Financial effect of any significant events

We have faced some funding challenges this year as our key funder, Porticus, advised us that on account of their own internal strategic review, they would be changing their funding priorities and as a result, be unable to provide us with ongoing core funding after the end of our first 3 year period (this ended in August 2022).

While we are still working with them to develop a project specific funding agreement for 2023/24, this necessitated some reduction in staffing and project expenditure during 2022 while we worked to secure a wider diversity of funders.

We are very grateful to GHR, our other core funder, for inviting us to apply for additional 'bridging' funds, while we work to develop a broader funding base.

Principal risks and strategies for managing those risks

As a relatively new charity, our principal risk is around funding sustainability. We were initially set up in 2019 with a three year core grant from Porticus, and have worked over this period to diversify our funding base.

While we have been successful in bringing in one new key core funder (GHR) and a number of smaller restricted funds, we recognise that more needs to be done to develop a much broader base of funders, as well as to commence the development of a trading income stream (from delivery of 1-1 support and training delivery).

Diversifying our funding is therefore a key element of our 2023-25 strategic plan. We have come some way on this over the last 6 months of 2022, and are optimistic of confirming a number of new income streams and funders in early 2023.

Reserves Policy

Our reserves policy follows a 'risk-based approach', meaning that our policy is based on an understanding of our income streams and their risk profile, the degree of commitment to expenditure and the overall risk environment in which FaithInvest operates, while also recognising the need to respond to new opportunities.

Given that the majority of FaithInvest income is through a relatively small number of funders, and that our spend predominantly relates to fixed costs (salaries and overheads), the trustees have agreed that the level of reserves needs to be between three to four months of operating costs.

This would give us sufficient capacity to respond to any income gaps, or to undertake restructuring in the event of a reduction in annual income. Based on our projected expenditure for 2023, we therefore aim to hold between £314,000 and £418,000 in reserves.

This policy and the appropriate level of reserves, will be reviewed annually.

Designated funds

We did not hold any designated funds for this period.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the coming 12 month period.

For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Funds materially in deficit

There were no funds materially in deficit at the end of the reporting period.

4) Plans for future periods

Over the latter half of 2022, we have reviewed our strategic focus in light of learning from our initial start-up phase, and have developed a new strategic plan for 2023-25, capitalising on our strengths and opportunities.

This took into account some key areas of learning around what was less effective. For example, we responded to the fact that our faith-based asset owners had demonstrated a preference for one-on-one support, rather than 'membership' and in light of this took the decision to retire our member portal, though we will maintain our successful weekly FCI Interest Group research summaries, and quarterly research meetings, where FBAO attendance and engagement has been strong (averaging 12-20 in attendance).

During the year we also concluded that the regional in-person forums, while providing several of our current one-on-one engagements, were overall an inefficient use of FaithInvest resources relative to the number of FBAOs in attendance, and we are therefore adjusting our approach to outreach and engagement in the coming year. This will increase our focus on engagement via key partner events, rather than regular and bespoke FaithInvest events.

We have also looked for how we could streamline and systematise some of our key offers, including Faith Plans, with which will now transition from a model of intensive support alongside grant funding, towards making the Faith Plans Framework and methodology systematised and available via our website to those wishing to use it.

Moving forward, our strategy will focus on:

- Placing a stronger focus on **building capacity and key partnerships** with the broader movement for financial justice and exploring the potentially transformative contribution of emerging alternative economic approaches to the mission of faiths (for example, the well-being economy, doughnut economy, nonextractive finance etc).
- Developing **high quality leadership training provision** for faith-based asset owners on the leadership role of faiths and their investments in supporting a just transition. We aim to create a 'Centre of Excellence' on faith-consistent investing. Building a small number of key partnerships to deliver high quality trainings in this area will be developed.
- Using our strategy of one-on-one support to faith groups as **exemplar case studies** as to what can be achieved in terms of social justice and environmental outcomes when faiths align their assets in this way.
- **Deepening the Catholic programme**, given the enormous reach and potential of this work, but also ensuring that this enables us to **leverage broader multi-faith work** (such as the opportunity to build out a programme similar to the Laudato Si Investor Hub for the Islamic world based around 'Al Mizan').

- Placing a stronger focus on building up our **'Faith Knowledge Capital'** to strengthen our organisational understanding of the way in which values shape the decision making of individual faith groups.
- Building out our **Brand strategy** so that FaithInvest is well known and respected as a key leader and innovator in this field.
- Structurally, we will explore whether it is necessary or beneficial to gain financial registration to be able to provide more detailed financial advice, rather than our current focus on providing more general training and guidance.

Further information on our detailed objectives for 2023-25 can be found within our Strategic Plan.

5) Structure, governance and management

Governing document and constitution

FaithInvest is a company limited by guarantee, governed by its Memorandum and Articles of Association and was incorporated on 5th March 2019. The company registered with the Charity Commission on 18th December 2019.

Organisational structure

We are a small team of 11 staff, plus a small number of consultants. We currently have staff in three countries (the UK, Ireland and USA). Our leadership team comprises:

Martin Palmer – Chief Executive

Lorna Gold – Director of Movement Building

Mathew Jensen – Director of Investment Solutions

Mike Even – Director of Strategy and Investment Research

Susie Weldon – Director of Communications, and

Jenny Couper – Chief Operating Officer

During 2022 we said goodbye to Nana Francois, our previous Director of Investment Solutions. Nana was one of our first appointments as a new charity in 2019 and has played an integral part in developing FaithInvest in its early years. We would like to take this opportunity to thank her for her contribution to FaithInvest over this period.

How the charity makes decisions

Decisions regarding the strategy, aims and approach of the charity are taken by the trustees. Trustees meet four times per year. The Chief Executive, Martin Palmer, oversees the day-to-day management of the charity.

Arrangements for setting pay and remuneration of charity's key management personnel (and any benchmarks or parameters used)

The Trustees are responsible for agreeing the salary of the Chief Executive while the Chief Executive is responsible for agreeing salaries for all other staff roles, including the leadership team, set at the appropriate levels to recruit and retain the skill sets and expertise required.

In October 2022, the trustees undertook a salary benchmarking exercise, making use of key charity salary benchmarking sources including TPP, Harris Hill and CharityJob. As a result of this, we have developed new salary scales which will be implemented for future recruitment. Any existing salaries which currently sit outside of the new scales will be gradually re-calibrated through the current high levels of inflation.

It is recognised that roles which require specialised investment skills within the charity sphere are much harder to benchmark, therefore this is tested through a review of any similar roles on key recruitment sites in advance of advertising.

Methods used to recruit, appoint and induct new directors (charity trustees)

New directors (trustees) are appointed by serving directors through consideration of the key skills, knowledge and experience that would complement that of the existing directors, and in reflection of the aims and objectives of the charity.

Following interview and appointment, new directors are provided with information regarding the company, including: its constitution; aims and objectives; strategy; financial status and key funders; key opportunities and risks. Directors are also given the opportunity to meet with the existing staff team to discuss in more detail the business of the charity. From time to time, trustee training will be provided to refresh directors on their governance responsibilities and any changes to relevant legislation.

Related parties

There are no related parties on the Board or within the staff team.

Delegation of day-to-day management

Trustees delegate the day-to-day management of the charity to the Chief Executive, Martin Palmer and to the leadership team.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 of the Charities SORP (FRS 102);
- make judgements and accounting 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;
- 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 are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

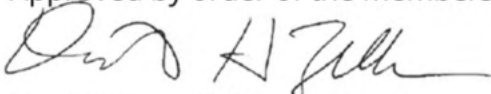
- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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.

Auditors

The auditors, Richardson Swift Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



David Henry Zellner

Trustee

Date: 31 May 2023

Financial statements 2022



Independent auditors' report to the members of FaithInvest

Opinion

We have audited the financial statements of FaithInvest (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Independent auditors' report (cont.)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditors' report (cont.)

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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 purposes 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.



Independent auditors' report (cont.)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity by discussion with key personnel and consideration of our experience of clients in similar sectors.

We determined that the most significant laws and regulations which have a direct impact on the form and content of the financial statements of the entity are the Companies Act and UK GAAP, specifically the Charities SORP.

We determined that the most significant operational laws and regulations for the entity are those governing the charitable sector and financial advice.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above, with no issues arising.

We gained an understanding of the entity's policy and procedures by discussion with key personnel and substantive audit work.

We assessed the risk of material misstatement in respect of fraud through our planning processes, and no significant risks were identified.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.

Independent auditors' report (cont.)

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richardson Swift Audit

Richardson Swift Audit Limited

11 Laura Place

Bath

BA2 4BL

Date: 01/06/2023

Richardson Swift Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Statement of financial activities

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	1,437,792	126,569	1,564,361	1,068,461
Investment income	4	1,160	-	1,160	74
Total income		1,438,952	126,569	1,565,521	1,068,535
Expenditure on:					
Charitable activities		1,289,284	120,928	1,410,212	1,098,686
Total expenditure		1,289,284	120,928	1,410,212	1,098,686
Net movement in funds		149,668	5,641	155,309	(30,151)
Reconciliation of funds:					
Total funds brought forward		315,750	-	315,750	345,901
Net movement in funds		149,668	5,641	155,309	(30,151)
Total funds carried forward		465,418	5,641	471,059	315,750

The Statement of Financial Activities includes all gains and losses recognised in the year.

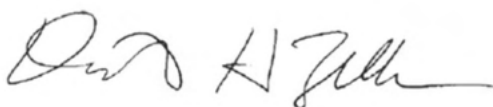
The notes on pages 43 to 59 form part of these financial statements.

Balance sheet

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	7,857	5,377
		<u>7,857</u>	<u>5,377</u>
Current assets			
Debtors	11	8,832	12,687
Cash at bank and in hand	16	852,224	1,287,891
		<u>861,056</u>	<u>1,300,578</u>
Creditors: amounts falling due within one year	12	(397,854)	(990,205)
Net current assets		<u>463,202</u>	<u>310,373</u>
Total assets less current liabilities		<u>471,059</u>	<u>315,750</u>
Total net assets		<u>471,059</u>	<u>315,750</u>
Charity funds			
Restricted funds	13	5,641	-
Unrestricted funds	13	465,418	315,750
Total funds		<u>471,059</u>	<u>315,750</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



David Henry Zellner
Trustee
Date 31 May 2023

The notes on pages 43 to 59 form part of these financial statements.

Cash flows

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(426,363)	217,774
Cash flows from investing activities		
Dividends, interests and rents from investments	1,160	74
Proceeds from the sale of tangible fixed assets	190	745
Purchase of tangible fixed assets	(7,676)	(3,095)
Net cash used in investing activities	(6,326)	(2,276)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(432,689)	215,498
Cash and cash equivalents at the beginning of the year	1,287,891	1,073,965
Change in cash and cash equivalents due to exchange rate movements	(2,978)	(1,572)
Cash and cash equivalents at the end of the year	852,224	1,287,891

The notes on pages 43 to 59 form part of these financial statements.

Notes to the financial statements

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

1. General information

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

Registered number: 11862410
Charity number: 1187015

The address of its registered office is:
c/o Stone King Llp
Boundary House
91-93 Charterhouse Street
London
EC1M 6HR

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

FaithInvest meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Notes to the financial statements

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.4 Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant Provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Notes to the financial statements

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

2.5 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgement and area of estimation uncertainty in preparing these financial statements is in determining the recognition of grant income, and specifically the policy of deferring income received based on fulfilment of performance related criteria and the estimation of the appropriate deferral amount.

2.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

2.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Notes to the financial statements

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

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Office equipment	-	33%
Computer equipment	-	33%

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Notes to the financial statements

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

2. Accounting policies (continued)

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations				
Donations	-	-	-	5,000
Grants				
Porticus / Benevolentia Stitching	701,419	-	701,419	747,940
GHR Foundation	733,774	-	733,774	302,354
LSM	-	76,095	76,095	-
Dicastery	-	33,059	33,059	-
Rufford	-	17,415	17,415	11,667
	<u>1,435,193</u>	<u>126,569</u>	<u>1,561,762</u>	<u>1,066,961</u>
Other income	2,599	-	2,599	1,500
Subtotal	<u>2,599</u>	<u>-</u>	<u>2,599</u>	<u>1,500</u>
	<u>1,437,792</u>	<u>126,569</u>	<u>1,564,361</u>	<u>1,068,461</u>
<i>Total 2021</i>	<u>1,056,794</u>	<u>11,667</u>	<u>1,068,461</u>	

Notes to the financial statements

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

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest receivable on bank deposits	1,160	1,160	74

5. Analysis of expenditure on charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Direct costs	898,909	65,661	964,570	724,514
Support costs	390,375	55,267	445,642	374,172
	<u>1,289,284</u>	<u>120,928</u>	<u>1,410,212</u>	<u>1,098,686</u>
<i>Total 2021</i>	<u>1,087,019</u>	<u>11,667</u>	<u>1,098,686</u>	

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Direct Costs				
Projects management and events	154,741	-	154,741	35,624
Grant funding activities	47,919	3,000	50,919	13,750
Staff costs	696,249	62,661	758,910	675,140
	<u>898,909</u>	<u>65,661</u>	<u>964,570</u>	<u>724,514</u>
<i>Total 2021</i>	<u>713,892</u>	<u>10,622</u>	<u>724,514</u>	

Notes to the financial statements

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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Support costs				
Administration costs	4,103	-	4,103	1,669
Premises costs	1,976	-	1,976	3,272
Other support costs	61,121	112	61,233	50,184
Finance costs	7,804	-	7,804	41,524
Information technology	19,224	-	19,224	38,123
Consultancy costs	279,254	55,155	334,409	190,062
Governance costs	7,020	-	7,020	6,600
Advertising	3,364	-	3,364	16,095
HR, payroll and recruitment	6,509	-	6,509	26,643
	<u>390,375</u>	<u>55,267</u>	<u>445,642</u>	<u>374,172</u>
<i>Total 2021</i>	<u>373,127</u>	<u>1,045</u>	<u>374,172</u>	

Support costs have been incurred in relation to assist major religious investment funds to be more faith-consistent through investment in sustainable and environmental development. All support costs are allocated to the primary activity.

Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Grants to institutions	50,919	50,919	13,750
	<u>50,919</u>	<u>50,919</u>	<u>13,750</u>
<i>Total 2021</i>	<u>13,750</u>	<u>13,750</u>	

The support costs associated with grant making activities are £nil (2021: £nil).

Notes to the financial statements

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

6. Analysis of grants (continued)

The Company has made the following material grants to institutions during the year:

	2022 £	2021 £
Name of institution		
CYNESA - Faith Long Term Plan Grant	-	750
HEAR Uganda - Faith Long Term Plan Grant	-	750
WWF Bhutan - Support for Long Term Plan Grant	-	4,000
Ethiopian Orthodox Church - Faith Long Term Plan Grant	-	1,000
Energising Solutions - Faith Long Term Plan Grant	-	750
A Rocha Uganda - Support for Long Term Plan Grant	-	750
International Network of Religious Leaders Kenya - Faith Long Term Plan Grant	-	1,000
St. Arnold Nyalienga Mission - St Arnold Nyalienga Catholic Church FLTP + Catholic University of Eastern Africa Long Term Plan	-	1,750
Kuhlubuka Development Trust - Faith Long Term Plan Grant	-	1,000
ELCT Northern Diocese Tanzania - Faith Long Term Plan + Trees Project Grant	-	2,000
New Humanity	14,751	-
Bhumi Global	5,000	-
Ethiopian Council of Gospel Believers' Church	3,000	-
WWF UK	14,568	-
TRAFFIC international	3,000	-
Universitas Nasion	1,000	-
All saints cathedral diocese	1,200	-
Christian Community Development Association	1,200	-
Women against poverty	1,200	-
Association de Jeunes Visionaires pour le Development du Congo	1,200	-
Diocese of Kakamega Justice and Peace Commission	1,200	-
JPIC Franciscans Africa	1,200	-
Solidarity pour la protection des droits de l'enfant	1,200	-
Groupe Scout Espoir de Gitega	1,200	-
Other grants to institutions	50,919	13,750

7. Auditors' remuneration

Fees totalling £7,020 (2021: £6,600) were incurred in relation to the audit.

Notes to the financial statements

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

8. Staff costs

	2022 £	2021 £
Wages and salaries	667,156	597,965
Social security costs	81,182	67,163
Operating costs of defined benefit pension schemes	10,572	10,012
	<u>758,910</u>	<u>675,140</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Project management	<u>10</u>	<u>8</u>

5 (2021 - 9) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,572 (2021 - £9,272).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	2	2
In the band £120,001 - £130,000	1	1

The total employee benefits of the key management personnel of the charity were £485,765 (2021: £257,782).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, Trustee expenses totalling £3,261 in relation to travel expenses were incurred by 2 Trustees (2021 - £NIL).

Notes to the financial statements

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

10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	12,990	-	12,990
Additions	-	7,676	7,676
Disposals	(2,504)	-	(2,504)
At 31 December 2022	<u>10,486</u>	<u>7,676</u>	<u>18,162</u>
Depreciation			
At 1 January 2022	7,613	-	7,613
Charge for the year	3,490	1,706	5,196
On disposals	(2,504)	-	(2,504)
At 31 December 2022	<u>8,599</u>	<u>1,706</u>	<u>10,305</u>
Net book value			
At 31 December 2022	<u>1,887</u>	<u>5,970</u>	<u>7,857</u>
At 31 December 2021	<u>5,377</u>	<u>-</u>	<u>5,377</u>

Notes to the financial statements

11. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	845	-
Other debtors	110	5,700
Prepayments and accrued income	7,877	6,987
	<u>8,832</u>	<u>12,687</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	653	10,192
Other creditors	15,463	7,572
Accruals and deferred income	381,738	972,441
	<u>397,854</u>	<u>990,205</u>

Deferred income as at 31 December 2022 amounts to £372,619 (2021: £954,291) and relates to income received in relation to grant agreements where the related performance deliverables attached had not been met by the year end. Income released during the year totalled £954,291 (2021: £218,952).

Notes to the financial statements

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

13. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Unrestricted funds				
General Funds - all funds	315,750	1,438,952	(1,289,284)	465,418
Restricted funds				
Restricted Funds - all funds	-	126,569	(120,928)	5,641
Total of funds	315,750	1,565,521	(1,410,212)	471,059

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds				
General Funds - all funds	345,901	1,056,868	(1,087,019)	315,750
Restricted funds				
Restricted Funds - all funds	-	11,667	(11,667)	-
Total of funds	345,901	1,068,535	(1,098,686)	315,750

Notes to the financial statements

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

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	7,857	-	7,857
Current assets	745,320	115,736	861,056
Creditors due within one year	(287,759)	(110,095)	(397,854)
Total	465,418	5,641	471,059

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	5,377	-	5,377
Current assets	1,292,245	8,333	1,300,578
Creditors due within one year	(981,872)	(8,333)	(990,205)
Total	315,750	-	315,750

Notes to the financial statements

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

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	155,309	(30,151)
Adjustments for:		
Depreciation charges	5,196	3,864
Investment income	(1,160)	(74)
Loss/(profit) on the sale of fixed assets	(190)	3,411
(Increase)/decrease in debtors	3,855	(5,514)
Increase/(decrease) in creditors	(592,351)	244,666
Exchange movement	2,978	1,572
Net cash provided by/(used in) operating activities	(426,363)	217,774

16. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	852,224	1,287,891
Total cash and cash equivalents	852,224	1,287,891

17. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Changes in market value and exchange rate movements £	At 31 December 2022 £
Cash at bank and in hand	1,287,891	(432,689)	(2,978)	852,224
	1,287,891	(432,689)	(2,978)	852,224

Notes to the financial statements

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

18. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 December 2022 (2021: none).

Notes to the financial statements

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2022 £	2021 £	2021 £
Income				
Grants - Porticus / Benevolentia Stitching	701,419		747,940	
Grants - GHR Foundation	733,774		302,354	
Grants - LSM	76,095		-	
Grants - Rufford	17,415		11,667	
Grants - Dicastery	33,059		-	
Donations - Golden Bottle Trust	-		5,000	
Other income	2,599		1,500	
Interest received	1,160		74	
Gross income in the reporting period		1,565,521		1,068,535
Less:				
Charitable activities				
Direct costs	342,816		252,411	
Wages and salaries	667,156		597,965	
Staff NIC (Employers)	81,182		67,903	
Staff pensions	10,572		9,272	
Events	154,741		35,625	
Grants payable - institutions	50,919		13,750	
Rent	-		1,374	
Telephone and fax	612		250	
Office expenses	20,058		12,844	
Computer software and maintenance costs	15,468		37,733	
Travel and subsistence	43,203		19,444	
Promotional expenses	3,364		16,096	
Accountancy fees	1,920		4,170	
Legal and professional fees	1,060		13,459	
Bank charges	2,137		943	
Depreciation	5,196		3,864	
Foreign currency (gains)/losses	2,978		1,572	
Audit fee	7,020		6,600	
Loss on disposal of fixed assets	(190)		3,411	
Total expenditure		1,410,212		1,098,686

Notes to the financial statements

INCOME AND EXPENDITURE ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2022 £	2021 £	2021 £
Net income/(expenditure) for the reporting period		<u>155,309</u>		<u>(30,151)</u>
Surplus/(Deficit) for the reporting period		155,309		(30,151)
Surplus brought forward at 1 January		315,750		345,901
Surplus carried forward at 31 December 2022		<u>471,059</u>		<u>315,750</u>

The notes on pages 43 to 59 form part of these financial statements.



Annual report 2022

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