

REGISTERED COMPANY NUMBER: 04943183 (England and Wales)
REGISTERED CHARITY NUMBER: 1101444

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
SOCIETY OF THE SACRED MISSION
(A COMPANY LIMITED BY GUARANTEE)**

SOCIETY OF THE SACRED MISSION

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 25

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2020 to 31 December 2020. The annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The charity's objectives are set out in the memorandum of association. The Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

The aims of the Society are to support and encourage those who wish to prepare and train for Christian ministry in all its forms and by so doing assist and pastor those wishing to affirm and come to a life enhancing knowledge of the Christian faith.

The Society undertakes charitable activities within the fields of Christian ministry, spirituality and education. This has been the Society's policy since its inception. The principal areas in which the Society is currently involved are supporting theological education and training in addition to providing grant support for projects consistent with its aims and objectives.

The trustees confirm that in developing and undertaking activities by the Society, they are mindful of their obligations to ensure that they are furthering the charity's purposes for the public benefit and have had due regard to the guidance published by the Charity Commission in this respect.

Grant-making policies

The responsibility for making decisions on grant making rests with the Trustees. The trustees have reviewed their grant making processes and have moved away from an annual application process. Grants are considered by the trustees or as delegated to the standing committee at their regular meetings. Grant applications may also be considered by correspondence. An annual budget for grants is agreed by the trustees. Grants are provided through the Kelham Theological College Fund established for the specific purpose of supporting ministry training and theological education. The Society also supports wider Christian related activities and projects through discretionary grants from its General Fund.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Report from the chairman

It seems that every annual report being written in 2021 will talk of 2020 as being 'a year like no other'. For the Charity, in many ways, it was business as usual, but we were not immune to the effects of the pandemic. However, our reserves served us well and we were able to weather the storm financially.

2020 started with much promise - we had three new Board members. A much kinder and more collaborative yet more rigorous relationship with Southern Africa was being forged by Fr Keith. We were discussing structures and working together to improve management and governance. At the same time conversations were beginning with potential partners in Milton Keynes about working together to undertake joint projects and to preserve the legacy of our time there. Much was happening to move things forward.

Then covid hit. The first major effect was the long-covid illness of one of our trustees. He is still not back to full health a year later and this has put extra pressure on other trustees. We have paused or slowed the discussions at Milton Keynes as the working out of them needs a world without the restrictions of covid.

The care of our Professed Members is a priority. We support the five remaining brethren and are in touch with them regularly. Visits have of course been impossible but through Fr Jonathan we hear of Edmund and Frank and we are in regular contact with Fr Robert. Contact with Br Andrew in Japan is less regular, but we are in touch with a Japanese contact to improve this.

The work with Southern Africa has been picked up again in 2021 and we hope to find a good way forward to improve governance and enable the members of the Southern African Province to have more control and influence over the working of that Charity and its finances.

2020 was the year that we finished the renovations of St Antony's and the new community began. We welcomed our first four members, but the pandemic and associated lockdowns have made recruiting members slower. However, steady as she goes, we have great hope for the Community and for the future of St Antony's. We now have a resident praying community and daily offices and regular masses are taking place in the chapel.

The provision of Spiritual Direction and the training and support of Spiritual Directors at St Antony's has continued and has made appropriate use of online methods when physical meetings have not been possible. Work on revising the training course we offer has continued. Parish visits and retreats have of course been significantly curtailed.

The internal processes at St Antony's have been reviewed - a significant amount of work on procedures and policies has been done better to equip us for resuming full activities. The Cottage is ready for visitors on retreat as soon as it is possible. It has been good to have had time to reflect and plan but we are very much looking forward to having the place full again.

The Charity has reviewed its governance and a revised Memorandum and Articles has been agreed. We are working through the filing processes to register these. At the time of writing, we are awaiting Companies House agreement. We said goodbye to two trustees in 2020 and welcomed a new one in early 2021. We are looking for new trustees with the right skills to add to the Board. A skills matrix and a skills review guide us in our search but along with all small charities it can be difficult to find the people we need.

The pandemic has meant that some things have taken longer, that some things will be delayed and that some things may have to be reconsidered. However, the Charity ended 2020 having weathered the financial impact of the crisis and still moving forward, perhaps more sedately. For now, we carry on as best we can, making sensible use of our resources, financial and human.

My heartfelt thanks to my fellow trustees and the staff at St Antony's. Under the inspirational leadership of Fr Nicholas, St Antony's has come alive again and we have great plans and hopes for the future.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Results for the year

Income for the year was £455,873 (2019: £473,864)

Expenditure for the year was £600,415 (2019: £661,154)

Net expenditure before investment gains was £144,542 (2019: £187,290)

Investment losses for the year were £474,333 (2019: gains of £3,557,261) together with net expenditure before investment gains of £144,542 of £618,875, accounting for the overall decrease in funds during the year from £13,716,312 (2019) to £13,097,437.

Principal funding

The principal funding streams are derived from the donations of income from the professed members and investment income from the investment portfolios held.

Material investments policy

The Society operates an actively managed investment portfolio of equities and bonds which has been reviewed during the year to provide a greater emphasis on income generation rather than capital growth. The Society seeks to avoid direct investments in military-related and tobacco-related holdings and concentrate upon ethical securities.

The Society's primary investments were managed by Rathbones during the year with some short-term cash deposits also held.

Reserves policy

The Society's reserve policy focuses on the level of 'free reserves'. Free reserves exclude restricted funds, designated funds and the net book value of the Society's tangible fixed assets and investment property. At the year-end free reserves amounted to £3,223,852

The Society seeks to maintain sufficient free reserves to manage the risks to which the charity is exposed in the course of its business, including, but not limited to, safeguarding against volatile income.

The Charity has designated £2m of its funding for the care of the Professed, all of whom are elderly. It recognizes its need to provide for the ongoing care of these men. The amount is an estimate of costs and is under review. Our first Charitable Object is the conduct of the religious community, and we believe that this designation is sufficient for the maintenance of the members of the order.

The charity's reserves are held at their current level to enable the generation of income to match most of its operating costs. It has limited other sources of income and it was down to these resources that we were able to weather 2020. However, the charity is in the early stages of planning for strategic initiatives and partnerships that may make use of capital sums, generate other sources of income and allow for new projects. The charity will keep its reserves under review and strive for a balance of income generating reserves and the best use of its financial assets for the strategic priorities of the charity.

The remaining balance of unrestricted reserves £7,667,162 has decreased during the year resulting from investment losses. These reserves are considered by the Trustees to be more than adequate to meet future additional designations in addition to providing substantial capital grants in support of projects consistent with the Society's aims and objectives.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Redevelopment of St Antony's Priory

Redevelopment of St Antony's Priory Durham commenced in 2019 and it was completed in 2020. This enabled the successful establishment of a religious community, with improved library and meeting room facilities available for study and contemplative reflection.

Information on fundraising practices

The Society does not actively solicit donations from the public at large. Professed Members donate their earnings in accordance with the principles of the Society.

The Society does not work with professional fundraisers or feel it necessary to follow a Fundraising Code Practice.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04943183 (England and Wales)

Registered Charity number

1101444

Registered office

St Antony's Priory
74 Claypath
Durham
DH1 1QT

Trustees

Revd Canon S J Bamber
Fr J Ewer
S Hogg Chair of Trustees
J Hopkinson (resigned 27/4/2020)
R Scott-Biggs (resigned 29/6/2020)
Revd Prof K Straughan
Fr R Stretton
M Tomlinson
The Ven R G Cooper (appointed 4/12/2020)

Auditors

Haines Watts North East Audit LLP
17 Queens Ln
Newcastle upon Tyne
NE1 1RN

Accountants

Ribchesters Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

CHANGE OF NAME

The charitable company passed a special resolution on 4 December 2020 changing its name from Society of the Sacred Mission (Europe) to Society of the Sacred Mission. The change of name has been filed with Companies House and a new Certificate of incorporation has been issued.

SOCIETY OF THE SACRED MISSION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES' RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Society of the Sacred Mission for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Haines Watts North East Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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



Stephen Hogg
Chair of Trustees

Date: 22 July 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOCIETY OF THE SACRED MISSION

Opinion

We have audited the financial statements of Society of the Sacred Mission (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 2020 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 Companies Act 2006.

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOCIETY OF THE SACRED MISSION

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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.

Our 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 a Report of the Independent Auditors 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:

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities SORP (FRS 102) 'Accounting and Reporting by Charities, Companies Act 2006 and UK GAAP (FRS102).

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOCIETY OF THE SACRED MISSION**

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Report of the Independent Auditors.

Use of our report

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

S Easton

Stephen Easton FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP
17 Queens Ln
Newcastle upon Tyne
NE1 1RN

Date: 22/7/2021

SOCIETY OF THE SACRED MISSION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	92,435	-	92,435	117,922
Charitable activities	5				
Income from charitable activities		18,587	-	18,587	22,608
Investment income	4	236,189	99,840	336,029	298,771
Other income	6	8,822	-	8,822	34,563
Total		356,033	99,840	455,873	473,864
EXPENDITURE ON					
Raising funds		36,769	12,773	49,542	65,658
Charitable activities	7				
Grant funding of activities		30,200	49,390	79,590	42,957
Support costs		42,273	-	42,273	33,526
Activities undertaken directly		422,791	-	422,791	502,862
Governance costs		6,219	-	6,219	16,151
Total		538,252	62,163	600,415	661,154
Net gains/(losses) on investments		(303,082)	(171,251)	(474,333)	3,557,261
NET INCOME/(EXPENDITURE)		(485,301)	(133,574)	(618,875)	3,369,971
RECONCILIATION OF FUNDS					
Total funds brought forward		10,152,463	3,563,849	13,716,312	10,346,341
TOTAL FUNDS CARRIED FORWARD		<u>9,667,162</u>	<u>3,430,275</u>	<u>13,097,437</u>	<u>13,716,312</u>

The notes form part of these financial statements

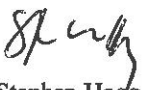
SOCIETY OF THE SACRED MISSION

BALANCE SHEET 31 DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	1,416,308	1,329,294
Investments			
Investments	15	8,356,455	8,448,194
Investment property	16	<u>3,025,002</u>	<u>3,025,002</u>
		12,797,765	12,802,490
CURRENT ASSETS			
Debtors	17	22,614	10,371
Cash at bank and in hand		<u>330,212</u>	<u>994,024</u>
		352,826	1,004,395
CREDITORS			
Amounts falling due within one year	18	<u>(49,154)</u>	<u>(84,573)</u>
NET CURRENT ASSETS		<u>303,672</u>	<u>919,822</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,101,437	13,722,312
PENSION LIABILITY	22	<u>(4,000)</u>	<u>(6,000)</u>
NET ASSETS		<u>13,097,437</u>	<u>13,716,312</u>
FUNDS	21		
Unrestricted funds		9,667,162	10,152,463
Restricted funds		<u>3,430,275</u>	<u>3,563,849</u>
TOTAL FUNDS		<u>13,097,437</u>	<u>13,716,312</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

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


 Stephen Hogg
 Chair of Trustees
 Date: 12 May 2021

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(487,839)</u>	<u>(429,380)</u>
Net cash used in operating activities		<u>(487,839)</u>	<u>(429,380)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(170,657)	(325,994)
Purchase of fixed asset investments		(5,175,481)	(2,844,475)
Sale of tangible fixed assets		20,400	-
Sale of fixed asset investments		4,884,745	2,845,716
Sale of investment property		-	954,523
Dividend income		275,326	294,361
Interest received		<u>356</u>	<u>4,410</u>
Net cash (used in)/provided by investing activities		<u>(165,311)</u>	<u>928,541</u>
Cash flows from financing activities			
New loans in year		-	294,735
Loan repayments in year		-	(17,913)
Capital repayments in year		<u>(10,662)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(10,662)</u>	<u>276,822</u>
Change in cash and cash equivalents in the reporting period		<u>(663,812)</u>	<u>775,983</u>
Cash and cash equivalents at the beginning of the reporting period		<u>994,024</u>	<u>218,041</u>
Cash and cash equivalents at the end of the reporting period		<u><u>330,212</u></u>	<u><u>994,024</u></u>

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(618,875)	3,369,971
Adjustments for:		
Depreciation charges	67,091	60,475
Losses/(gain) on investments	474,333	(3,557,261)
Profit on disposal of fixed assets	(3,845)	(3,843)
Interest received	(356)	(4,410)
Dividends and rents received	(275,326)	(294,361)
Movement in SSM (SA) investments	(91,861)	(14,056)
Increase in debtors	(12,243)	(6,252)
(Decrease)/increase in creditors	(24,757)	33,357
Difference between pension charge and cash contributions	<u>(2,000)</u>	<u>(13,000)</u>
Net cash used in operations	<u>(487,839)</u>	<u>(429,380)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	<u>994,024</u>	<u>(663,812)</u>	<u>330,212</u>
	<u>994,024</u>	<u>(663,812)</u>	<u>330,212</u>
Debt			
Finance leases	<u>(10,662)</u>	<u>10,662</u>	<u>-</u>
	<u>(10,662)</u>	<u>10,662</u>	<u>-</u>
Total	<u>983,362</u>	<u>(653,150)</u>	<u>330,212</u>

The notes form part of these financial statements

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Society of the Sacred Mission is a charity registered in England and Wales with the Charity Commission and is a company limited by guarantee.

The Charity's registered office is St Antony's Priory, 74 Claypath, Durham DH1 1QT. Its principal activity is set out in the Trustees' Report and relates to Christian ministry.

The financial statements are presented in the charity's functional currency of sterling and rounded to the nearest £1.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Society of the Sacred Mission 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.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of listed investments where valuations can be subject to variations arising from external factors which can impact on the future actual results.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually.

Critical areas of judgement:

Valuations of investment properties where the trustees have considered the information available to them and made a judgement accordingly.

Going concern

The financial statements have been prepared on a going concern basis. The directors have considered budgets, cash flows and the impact of events, including that of COVID19. Whilst the economic shutdown in response to COVID19 has had significant impact on the charity's operations, the directors are satisfied that the charity has sufficient available resources, both in terms of cash and investments that can be converted to cash, such that there is no material uncertainty and the going concern basis of preparing the financial statements continues to be appropriate.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are recognised on receipt.

Investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on raising funds includes those incurred in managing the investments of the company. Support costs are those incurred directly in support of expenditure on the objects of the charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Building improvements	- 10% on cost
Equipment & furnishings	- 20% on cost
Motor vehicles	- 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Fund accounting

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(losses) on investments' in the Statement of financial activities.

Listed investments are stated at fair value, being market value at the balance sheet date.

Investment properties are measured at their fair value at the balance sheet date based on an assessment by the trustees of the market value with reference to valuations and the current property market.

Programme related loans in the form of investments are stated at cost less any repayments and impairment.

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.

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.

Interest receivable

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.

Liabilities

Liabilities and provisions 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.

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.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Investments

The Company is a member of a defined benefits pension scheme. The scheme is a multi-employer plan where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employees. Therefore, as required by FRS102, the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period. Deficit recovery contributions are accounted for as the plan is agreed and discounted.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	92,436	108,008
Legacies	<u>-</u>	<u>9,914</u>
	<u>92,436</u>	<u>117,922</u>

All income in the above years was unrestricted

4. INVESTMENT INCOME

	2020	2019
	£	£
Income from investment properties	60,347	17,757
Dividend income	275,326	276,604
Bank interest	356	637
Loan interest receivable	<u>-</u>	<u>3,773</u>
	<u>336,029</u>	<u>298,771</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Income from guests and residents	<u>18,587</u>	<u>22,608</u>
	<u>18,587</u>	<u>22,608</u>

All income in the above years was unrestricted

6. OTHER INCOME

	2020	2019
	£	£
Royalties	94	223
Merchandising income	-	5
Sundry Income	8,438	767
Insurance settlements	-	22,784
Room hire	<u>290</u>	<u>10,784</u>
	<u>8,822</u>	<u>34,563</u>

All income in the above years was unrestricted

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Grant funding of activities £	Support costs (see note 9) £	Totals £
Grant funding of activities	-	79,590	-	79,590
Support costs	-	-	42,273	42,273
Activities undertaken directly	422,791	-	-	422,791
Governance costs	-	-	6,219	6,219
	<u>422,791</u>	<u>79,590</u>	<u>48,492</u>	<u>550,873</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	135,211	163,090
Depreciation	67,091	60,475
Community costs	210,491	266,975
Travel and transport	1,238	2,411
Furniture and equipment	1,254	-
Chapter	-	988
Publicity	346	2,782
Administration	11,005	9,984
Profit on disposal of fixed assets	(3,845)	(3,843)
	<u>422,791</u>	<u>502,862</u>

9. SUPPORT COSTS

	2020 £	2019 £
Trustees' expenses	2,067	5,460
Bank charges	745	1,727
Auditor's remuneration	6,219	16,151
Legal and professional	34,276	24,870
Accountancy and payroll	5,185	-
Interest on finance lease	-	1,469
	<u>48,492</u>	<u>49,677</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	67,088	60,476
Surplus on disposal of fixed assets	<u>(3,845)</u>	<u>(3,843)</u>

SOCIETY OF THE SACRED MISSION
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

11. TRUSTEES' REMUNERATION AND BENEFITS

Some of the trustees are professed members of the Society. They donate their earnings to the Society and have their living expenses borne by the Society.

The trustees received no remuneration or other benefits in connection with their duties as trustees.

Trustees' expenses

During the year expenses of £2,067 was reimbursed to 4 trustees in respect of travel and subsistence costs (2019 £5,460 to 4 trustees).

12. STAFF COSTS

	2020 £	2019 £
Wages and salaries	124,887	158,401
Social security costs	2,490	5,489
Contributions to defined contribution pension schemes	<u>7,834</u>	<u>(800)</u>
	<u>135,211</u>	<u>163,090</u>

No employee received remuneration amounting to more than £60,000 in either year.

Included within other pension costs for 2020 is the reduction of the balance sheet liability of £2,000 (2019: decrease £13,000) in respect of the adjustment to notified deficit recovery contributions.

Key management personnel comprise the trustees of the society, none of whom are remunerated.

The average monthly number of employees during the year was as follows:

	2020	2019
Employees	<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	117,922	-	117,922
Charitable activities			
Income from charitable activities	22,608	-	22,608
Investment income	193,909	104,862	298,771
Other income	<u>34,563</u>	<u>-</u>	<u>34,563</u>
Total	369,002	104,862	473,864
EXPENDITURE ON			
Raising funds	49,028	16,630	65,658
Charitable activities			
Grant funding of activities	42,957	-	42,957

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Support costs	33,526	-	33,526
Activities undertaken directly	467,405	35,457	502,862
Governance costs	16,151	-	16,151
Total	609,067	52,087	661,154
Net gains on investments	3,148,228	409,033	3,557,261
NET INCOME	2,908,163	461,808	3,369,971

RECONCILIATION OF FUNDS

Total funds brought forward	7,244,300	3,102,041	10,346,341
TOTAL FUNDS CARRIED FORWARD	10,152,463	3,563,849	13,716,312

14. TANGIBLE FIXED ASSETS

	Freehold property £	Building improvements £	Equipment & furnishings £	Motor vehicles £	Totals £
COST					
At 1 January 2020	1,131,173	344,787	17,184	45,378	1,538,522
Additions	-	166,618	4,039	-	170,657
Disposals	-	-	-	(45,378)	(45,378)
At 31 December 2020	<u>1,131,173</u>	<u>511,405</u>	<u>21,223</u>	<u>-</u>	<u>1,663,801</u>
DEPRECIATION					
At 1 January 2020	157,634	26,740	1,461	23,393	209,228
Charge for year	20,356	37,784	3,518	5,430	67,088
Eliminated on disposal	-	-	-	(28,823)	(28,823)
At 31 December 2020	<u>177,990</u>	<u>64,524</u>	<u>4,979</u>	<u>-</u>	<u>247,493</u>
NET BOOK VALUE					
At 31 December 2020	<u>953,183</u>	<u>446,881</u>	<u>16,244</u>	<u>-</u>	<u>1,416,308</u>
At 31 December 2019	<u>973,539</u>	<u>318,047</u>	<u>15,723</u>	<u>21,985</u>	<u>1,329,294</u>

Included in land and buildings is freehold land at a cost of £113,334 (2019: £113,334) which is not depreciated.

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	8,448,194
Additions	5,175,481
Disposals	(4,256,921)
Revaluations	(1,102,160)
Movement in amounts held for SSM(SA)	<u>91,861</u>
At 31 December 2020	<u>8,356,455</u>
NET BOOK VALUE	
At 31 December 2020	<u>8,356,455</u>
At 31 December 2019	<u>8,448,194</u>

The charity holds within its portfolio of investments, investments on behalf of The Society of the Sacred Mission (South Africa). The investments are held within a single portfolio managed by the investment managers in accordance with the agreed investment policy. The movements shown in the note above relate to the portfolio as a whole with the net amount held on behalf of the Society of the Sacred Mission (South Africa) at 31 December 2020 deducted. At the balance sheet date to total amount held was £1,653,820 (2019: £1,745,681).

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020 and 31 December 2020	<u>3,025,002</u>
NET BOOK VALUE	
At 31 December 2020	<u>3,025,002</u>
At 31 December 2019	<u>3,025,002</u>

The 2020 valuations were made by the trustees, based on RICS valuations provided to them by valuers during the course of 2019.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	13,500	4,109
Other debtors	100	100
Prepayments and accrued income	<u>9,114</u>	<u>6,162</u>
	<u>22,614</u>	<u>10,371</u>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Hire purchase (see note 19)	-	10,662
Trade creditors	8,091	3,003
Social security and other taxes	1,304	1,676
Other creditors	91	10,351
Accruals and deferred income	<u>39,668</u>	<u>58,881</u>
	<u>49,154</u>	<u>84,573</u>

Deferred income totalling £4,650 (2019: £12,069) relates to rental and spiritual direction course income relation to the year ended 31 December 2021.

19. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>10,662</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Fixed assets	1,416,308	-	1,416,308	1,329,294
Investments	7,951,182	3,430,275	11,381,457	11,473,196
Current assets	352,826	-	352,826	1,004,395
Current liabilities	(49,154)	-	(49,154)	(84,573)
Pension liability	(4,000)	-	(4,000)	(6,000)
	<u>9,667,162</u>	<u>3,430,275</u>	<u>13,097,437</u>	<u>13,716,312</u>

21. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	Transfers between funds	At 31.12.20
	£	£	£	£
Unrestricted funds				
General fund	6,152,463	(485,301)	2,000,000	7,667,162
Care of the elderly	<u>4,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>2,000,000</u>
	10,152,463	(485,301)	-	9,667,162
Restricted funds				
Kelham College fund	3,541,770	(133,574)	-	3,408,196
Durham fund	<u>22,079</u>	<u>-</u>	<u>-</u>	<u>22,079</u>
	3,563,849	(133,574)	-	3,430,275
TOTAL FUNDS	<u>13,716,312</u>	<u>(618,875)</u>	<u>-</u>	<u>13,097,437</u>

SOCIETY OF THE SACRED MISSION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	356,033	(538,252)	(303,082)	(485,301)
Restricted funds				
Kelham College fund	99,840	(62,163)	(171,251)	(133,574)
TOTAL FUNDS	<u>455,873</u>	<u>(600,415)</u>	<u>(474,333)</u>	<u>(618,875)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	3,244,300	2,908,163	6,152,463
Care of the elderly	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
	7,244,300	2,908,163	10,152,463
Restricted funds			
Kelham College fund	3,079,962	461,808	3,541,770
Durham fund	<u>22,079</u>	<u>-</u>	<u>22,079</u>
	<u>3,102,041</u>	<u>461,808</u>	<u>3,563,849</u>
TOTAL FUNDS	<u>10,346,341</u>	<u>3,369,971</u>	<u>13,716,312</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	369,002	(609,067)	3,148,228	2,908,163
Restricted funds				
Kelham College fund	104,862	(52,087)	409,033	461,808
TOTAL FUNDS	<u>473,864</u>	<u>(661,154)</u>	<u>3,557,261</u>	<u>3,369,971</u>

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	3,244,300	2,422,862	2,000,000	7,667,162
Care of the elderly	4,000,000	-	(2,000,000)	2,000,000
	7,244,300	2,422,862		9,667,162
Restricted funds				
Kelham College fund	3,079,962	328,234	-	3,408,196
Durham fund	22,079	-	-	22,079
	3,102,041	328,234	-	3,430,275
TOTAL FUNDS	<u>10,346,341</u>	<u>2,751,096</u>	<u>-</u>	<u>13,097,437</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	725,035	(1,147,319)	2,845,146	2,422,862
Restricted funds				
Kelham College fund	204,702	(114,250)	237,782	328,234
TOTAL FUNDS	<u>929,737</u>	<u>(1,261,569)</u>	<u>3,082,928</u>	<u>2,751,096</u>

General funds

The General Fund exists to provide a base for the generation of investment income to meet the operating costs of the charity. The charity is currently reviewing its strategic plan and will be developing a Reserves approach driven by that strategic plan.

Designated funds

Care of the elderly

The charity has designated a fund for the care of the elderly professed members of the society. They are all aged over 75 and the charity is committed to meeting all living and care costs during their lifetimes. The amount is difficult to quantify, and the amount of this designation is kept under review. We have reduced the designated sum by 50% this year as a more reasonable contingency for potential future costs.

Restricted funds

Kelham College Fund

The Kelham College fund arises from a transfer from the Kelham Theological College Fund on 1 January 2004. The fund is used for the training of persons intending to take Holy Orders in the Church of England or any Church in communion with it, the training for mission of members of the Church of England or any church in communion with it and the training or education of persons working for the extension of Christ's Kingdom in any way connected with the Church of England or any Church in communion with it.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

21. MOVEMENT IN FUNDS - continued

Durham Fund

This represents grant income received to fund recovery days at St Antony's Priory, Durham.

22. EMPLOYEE BENEFIT OBLIGATIONS

Society of the Sacred Mission participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £7,834, 2019: £(800)).

A valuation of the scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m assessed using the following assumption

- An average discount rate of 3.2% p.a;
- RPI inflation of 3.4% p.a (and pensions increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a;
- Mortality in accordance with the 95% of the S3NA VL tables, with allowance for improvements mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2019 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	6,000	19,000
Deficit contributions paid	(3,000)	(3,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	1,000	(10,000)
Balance sheet liability at 31 December	4,000	6,000

* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

SOCIETY OF THE SACRED MISSION

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2020**

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2%	1.1% pa	2.1% pa
Price inflation	3.1%	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6%	1.3% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Society of the Sacred Mission could become responsible for paying a share of that Responsible Body's pension liabilities.

23. RELATED PARTY DISCLOSURES

The Society is a corporate trustee of the Society of the Sacred Mission (Southern Africa) and holds the investments within its investment portfolio on behalf of the charity . Further details are given in note 15.

Trustee's remuneration and expenses are disclosed in note 11.

24. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>11,381,457</u>	<u>11,473,196</u>
	<u>11,381,457</u>	<u>1,473,196</u>

25. MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.