



ANNUAL REPORT

Report and Statement of Accounts 2020

Investing in Spiritualist Churches since 1926

SPIRITUALISTS' NATIONAL UNION TRUST
(TRADING AS SNU TRUST)

www.snutrust.co.uk



A Mutual Building Society for Churches



ANNUAL REPORT

Report and Statement of Accounts 2020

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A MESSAGE FROM OUR CHAIRMAN

Dear Member

This time last year, we were all hoping that a path out of lockdown was emerging and churches were able to think about the reopening of their doors. Unfortunately, at the time of writing, we find ourselves again emerging from national restrictions and it's clear that changes we have made to our routines in the last year will continue to dominate our lives for some time to come.

2020 was of course a remarkable year. The pandemic is a unique experience that has affected all of our lives in different ways and to different extents, and for which there has been no roadmap. Whether it is concerns about loved ones catching the virus or waiting to receive the vaccine, a desire to meet with family and friends, or a wish for life to return to normal, there remains much to occupy our minds.

However, there are reasons for optimism.

The speed with which multiple vaccines have become available, along with the tremendous efforts of all health workers and volunteers, means that we are all now able to recognise the benefits of a swift roll-out of the vaccination programme. There is now, hopefully, an end in sight to the disruptions we have all experienced over the past year. We do not know exactly when the full benefits will be felt and we can return to a more normal life, but I am confident it means the second half of 2021 will be markedly – and positively – different to the first.

With all that Spiritualist churches have faced, it is understandable that many members are apprehensive about the immediate future and therefore our role at the SNU Trust has never been more important than it is now. We recognise the impact that the pandemic has had on all church's finances, but I want to reassure you that we are ready to help in whatever way we can to ensure that as a movement, Spiritualism emerges from these extraordinary times stronger and more united than ever.

I would like to take this opportunity to thank my fellow Trustees and our wonderful staff for what you have done to weather this crisis and in getting the Trust prepared to cope with this situation. Your resolve, dedication and commitment makes all the difference.

And finally, thanks to our members who I trust already know this, – we continue to be here for you, working hard to ensure that you have the assistance and support you need. Our amazing staff continue to work and are available on their normal telephone numbers and email addresses.

The SNU Trust is open for business.


I am confident that before too long, life will return to something more familiar, and better.



Trevor Critchley | Chairman

“Spiritualism emerges from these extraordinary times stronger and more united than ever.”





MINUTES OF THE ANNUAL GENERAL MEETING OF THE SNU TRUST

HELD ON SATURDAY 26TH SEPTEMBER 2020

AT BURTON END LODGE, STANSTED HALL,
STANSTED, ESSEX CM24 8UD

1. Welcome

Trevor Critchley opened the meeting and stated for the record that due to the impact of the Covid-19 pandemic, alternative arrangements have been put in place for the AGM this year.

All members had been notified that the Government's most recent social distancing legislation and guidelines to combat the Covid-19 pandemic continue to prohibit large indoor gatherings. In recognition of the difficulties that this presents for the holding of Annual General Meetings (AGMs), new legislation was enacted in June 2020 to make it easier for companies, charities and other bodies to comply with legal requirements on holding AGMs while keeping their members safe.

The Board of Trustees had carefully considered the options available under the new legislation and took the decision, in the interests of the safety and wellbeing of our members, that this year's AGM will take place with attendance in person restricted to the Chair of Trustees and a minute taker.

This means that no members will be permitted to attend the meeting in person this year, and any member who attempts to attend the meeting in person will be refused entry. Instead of attending in person, all members were required to attend by proxy by appointing the chair of the meeting for this purpose. This ensured that all members have the opportunity to express their views by voting on all matters to be brought before the meeting.

An Open Forum was held by the SNU Trust on Saturday 5 September 2020 via video conference to provide members with an opportunity to raise any questions or concerns before deciding how they wish to vote on their Proxy Form.

Credential Report:
Proxy Forms Received 29

2. Open Forum

During the Open Forum on 5 September two questions were raised by members that the Chairman felt should be minuted at the Annual General Meeting.

CHRISTINE THOMPSON ON BEHALF OF NORTH YORKSHIRE DC.

Christine asked for an update regarding any further proposed investment in the care homes as reference in the Trustees Annual Report.

The SNUT Trustees informed the meeting that more detailed proposals had been requested from the tenant, Choice Care Group, however due to the situation around Covid-19, Choice had decided to delay any further discussions at this time.

MINISTER MYRRHA HIBBERT ON BEHALF OF EASTWOOD SPIRITUALIST CHURCH.

Minister Hibbert asked about churches who have advance repayments due to the SNU Trust, and what the Trust's expectations are in terms of churches recommencing repayments?

The SNU Trust will be contacting all affected churches during September to understand their individual situations and to try and establish a way forward for the coming six months. It was stressed that there is no expectation of repayments to be restarted at the full amount until the church was back open and operating in a way that would allow them to afford repayments. Should any churches be concerned then they were encouraged to contact the Trust who would be happy to assist in any way possible.

3. Motion-1

THAT the draft minutes of the 2019 Annual General Meeting be approved.

- For 28
- Against 0
- Abstain 1
- Motion Carried

4. Motion-2

THAT the draft annual report and accounts for the financial year ended 31 December 2019 be approved.

- For 29
- Against 0
- Abstain 0
- Motion Carried

5. Motion-3

THAT Price Bailey be appointed as the auditors for the Trust for the forthcoming year, and THAT the auditors' remuneration shall be determined by the Trustees.

- For 29
- Against 0
- Abstain 0
- Motion Carried

6. Declaration of Election

Valid Nominations Received:

- Trevor Critchley 23
- Ken Smith 24
- Tim Coombe 23
- Nancy Boot 21

7. Date & Venue of 2021 SNU Trust AGM

8.15pm on the Friday evening of the SNU AGM 2021 in Norwich.

IN ATTENDANCE:

Trevor Critchley (Chairman) | Lesley Gilbert



SNU TRUST ANNUAL REPORT

& FINANCIAL STATEMENTS
FOR THE PERIOD ENDING
30 DECEMBER 2020

Registered in England No. 11382378
Charity No 1182379 (England & Wales)
Charity No SC049738 (Scotland)

The Trustees have pleasure in presenting their Annual Report together with the audited financial statements for the charity for the period ended 31 December 2020 and confirm they comply with the Charities Act 2011, the Charities Statement of Recommended Practice second edition 2019 and FRS 102.

THE ONGOING IMPACT OF COVID-19

During 2020, the SNU Trust took steps to manage the impact of Covid-19 on the charity and as an organisation, the Trust have recognised that working practices and the requirements of members has changed as the unprecedented worldwide situation continues.

To this end, the Board and staff have continued to assess the changing environment and have taken the following remedial actions.

Governance of the Charity



HEAD OFFICE

Head Office has continued to operate normally during the last year and there has been no impact to the service provided to members.

Whilst staff have the ability to work from home when appropriate, all employees have their own office allowing the Trust provides a safe Covid secure working environment.



MEMBERS

It has been noticeable throughout the last year that there has been an increase in churches who have contacted the Trust staff for support and advice.

We continue to encourage all churches, members and non-members, to use the SNU Trust as a contact point for any type of financial issues; the Board appreciates that all churches face a difficult time and are here to assist when called upon. Staff continue to be proactive by keeping in touch with all churches offering guidance and information.



RAY TAYLOR MEMORIAL FUND

The Ray Taylor Memorial Fund was established in memory of Ray Taylor, a former trustee of the SNU Trust, who was a proponent of churches facing financial hardship.

During 2020 the Trust became aware of a number of member churches who required financial support to cover urgent expenses. The Board were delighted to be able to assist three churches by making small grants to cover small bills and to allow for outside lighting to enable a church to use a side door as a dedicated exit. Whilst modest, the grants were awarded at a difficult time for the churches and the Trust were glad to be able to assist.

The Trustees are conscious that the fund may, in time, be fully utilised and therefore to ensure the continuance of the Fund, the Board of Trustees has committed to set aside 1% of the net surplus of funds (before net gains on investments) generated in 2020 to create a designated fund in memory of Mr Taylor when required.



2020

ANNUAL GENERAL MEETING

In 2020, after careful consideration of all options available, the Board of Trustees took the difficult decision, in the interests of the safety and wellbeing of the members, for the AGM to place with attendance in person restricted to the Chair of Trustees and a minute taker.

To ensure that all members had the opportunity to express their views by voting by proxy on all matters to be brought before the meeting, the Board of Trustees held an Open Members' Forum on 5 September 2020 to give members the opportunity to raise any questions or concerns before deciding how they wished to vote.

2021

ANNUAL GENERAL MEETING

It was the Board's wish to revert to an in-person meeting in July 2021 however circumstances are such that again the Trust has assessed all options and has once again had to conclude that it is in the best interests of everyone not to go ahead in Norwich as previously hoped.

It is the intention of the Trust to invite all members to an Open Forum in order that the Board can take questions on matters that members may wish to discuss prior to asking members to once again vote by proxy.

Financial Impact



SHORT TERM

As outlined in last year's Trustees report the SNU Trust was mindful of a reduction in investment income and made an allowance of a decline of 30% after discussions with the Trust's investment Broker, Quilter Cheviot. However dividend income generated on the portfolio, when compared with 2019, reduced by 15% contributing to the surplus made during the accounting period.

Choice Care Group, tenants of the investment properties owned by the SNU Trust, experienced no business interruption during the year and all rental income was received as expected.

After discussions with Palmerston Trust, it was agreed to defer three months rental income with the arrears being repaid monthly throughout 2021.

All churches who have loans outstanding with the SNU Trust were contacted throughout 2020 to provide help and support; the Trust understands that all churches are experiencing financial difficulties and arrangements appropriate to each church's needs were agreed. This level support has continued throughout 2021 and the Trust will remain in touch with all affected churches for as long as is necessary.

The changes and restrictions placed on activities such as trustee meetings during the year resulted in lower-than-normal costs, supporting the surplus for the year, thus avoiding the need to draw down on reserves.

The SNU Trust continues to hold substantial cash reserves which are immediately available and therefore there are no plans to release any funds from the investment portfolio.



LONGER TERM

The Trustees have met on a quarterly basis with Quilter Cheviot Investment brokers and both portfolios held have increased in value during the accounting period.

As the situation continues to evolve during 2021, the Board will closely monitor any changes however the Trustees are confident that the SNU Trust is well placed to absorb any impact of world events during 2021 and have no concerns around the charity's ability to continue as a going concern.



ACTIVITIES AND MONITORING ACHIEVEMENTS

Objectives and Activities



The Spiritualists National Union Trust was registered as a charitable company in May 2018 and took over the assets of the SNU Trust, created in 1926, on 1 May 2019. The Trust was established to continue the work of the previous entity whilst ensuring that its business model was fit for the 21st century.

Detailed in the articles of the SNU Trust are objectives which promote the advancement and diffusion of Spiritualism by providing financial assistance to Spiritualist National Union affiliated spiritualist churches.

The support afforded to members is three-fold:

- ✓ Providing investment opportunities that pay credit interest Rates which are competitive with other financial institutions
- ✓ Making available Advances (loans) to members to enable them to finance the building of new (or repair of existing) church buildings which provides the facility for members of the public to worship the religion of Spiritualism in their local community.
- ✓ Approving grants to assist churches in need.

The Charity is aware that social and economic circumstances have changed considerably since the Trust was originally formed and not all churches are able to afford the costs involved in owning and maintaining their own premises.

The Trust therefore ensured that its objects allowed the organisation to purchase and make available properties by way of lease, this is an area that the board are keen to pursue in the coming years.

Public Benefit Statement



The Trust has regard to the Charity Commission guidance on public benefit and how SNU churches exist to promote the seven principles of Spiritualism which encourages its followers to become socially responsible within the wider community.

The Trust, by financially supporting SNU Spiritualist churches, encourages a religious practice that leads to promoting spiritual welfare and improvement of society.



PALMERSTON PLACE

The SNU Trust owns a property in Edinburgh which, for eight years, has been home to both Edinburgh Association of Spiritualists and Palmerston Trust, a charity based in Scotland whose objects are based around the Seven Principles. The property is held as a charitable investment and as such, the Board of the SNU Trust has scope to take into consideration the aims of the tenant when reviewing the investment as part of the Trust's wider portfolio.

A full review of the income received on the property was undertaken and it was noted that whilst the rent charged to Palmerston Trust should be reflective of its core objects of the furtherance of spiritualism, it was agreed that this must be balanced against the need to ensure a return that would ultimately enable the charity to pass any financial benefit on to all members.

During 2020 the Trust have worked with both Palmerston Trust and Edinburgh Association to revise and renew the lease agreements in place. As stated in the previous Trustees report, the Board continued to work towards obtaining a return equivalent to that expected by the SNU Trust from members' loans.

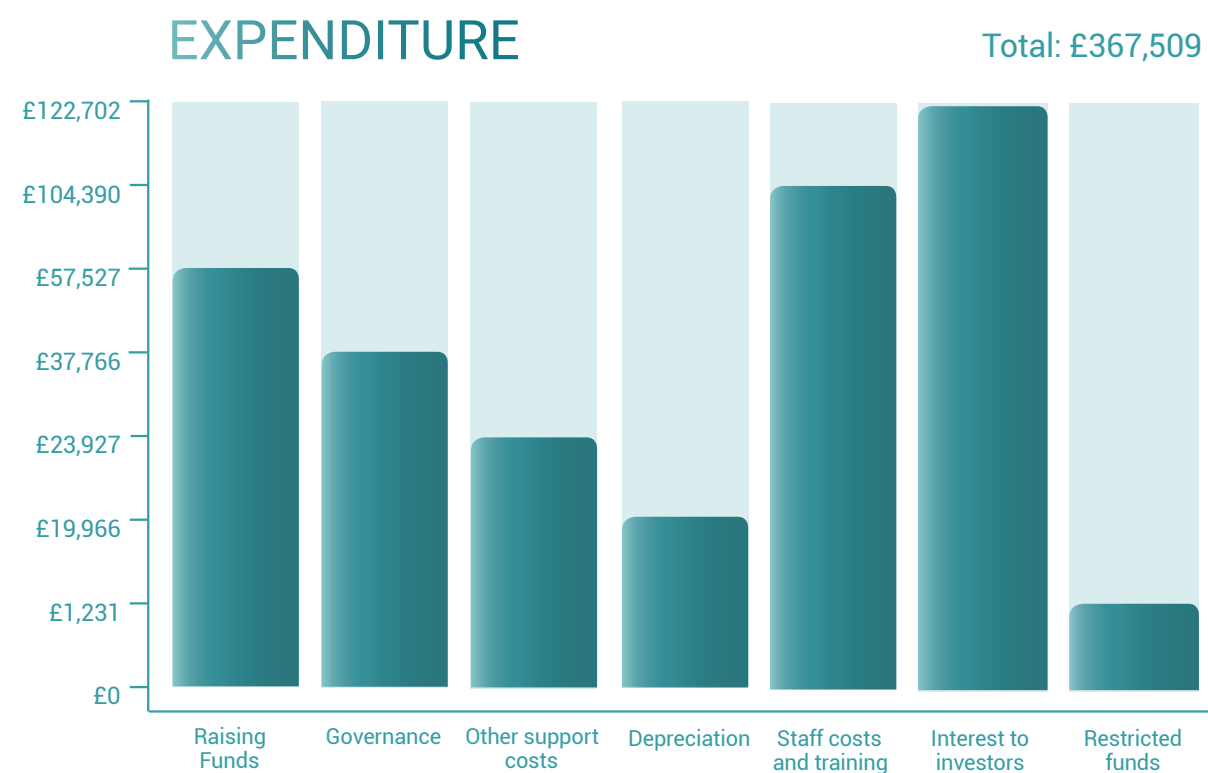
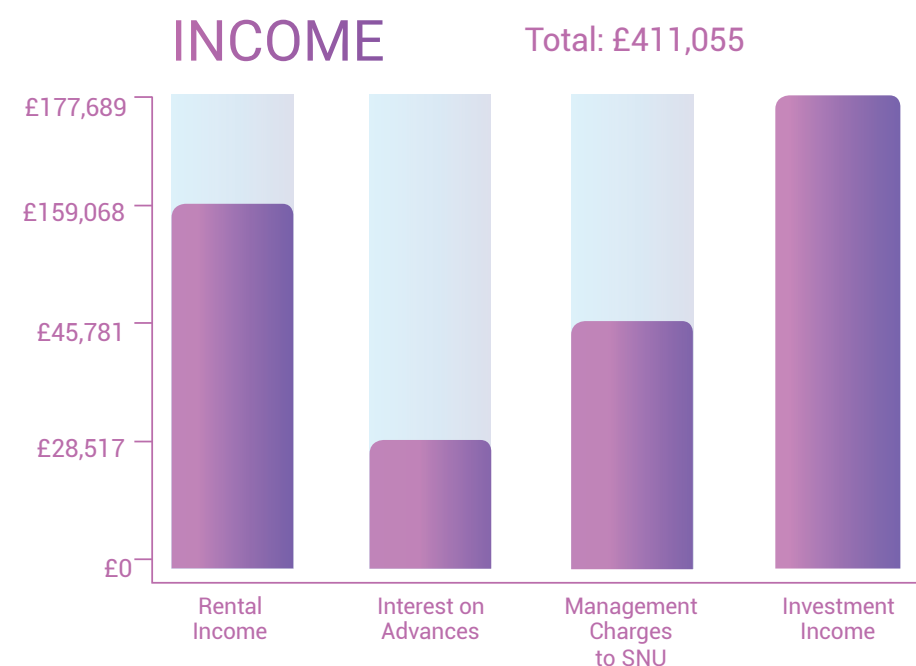
The Trustees are pleased to report that both Palmerston Trust and Edinburgh Association have approved and signed new five-year agreements which incorporate annual rental uplifts which will result in a return on investment of 3.75% in the final year.

Monitoring Achievements



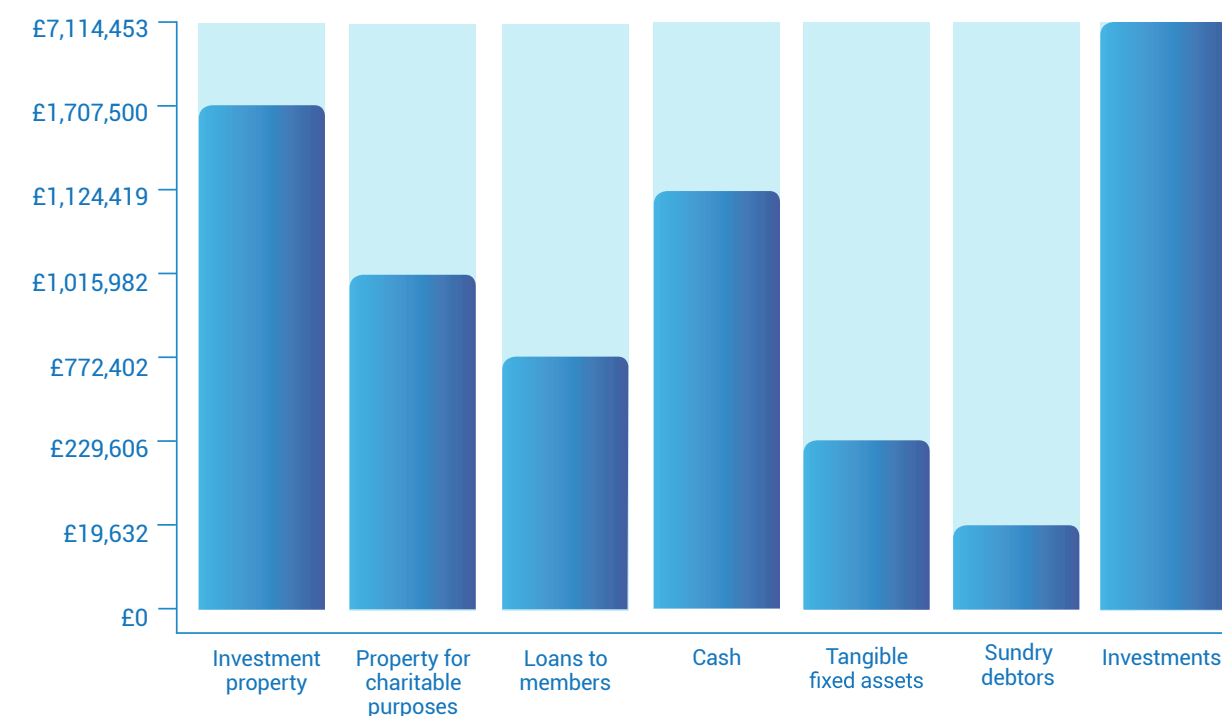
The SNU Trust derives its income from dividends paid on a portfolio of stocks and shares managed by Quilter Cheviot, rental income from properties, interest paid by members on Advances and management charges to the Spiritualists' National Union for accounting services.

During the accounting period interest paid out to members formed the largest expense for the SNU Trust.



ASSETS

Total: £11,983,994



Of the assets shown above, £8,807,441 relates to church deposits and sundry creditors leaving £3,176,553 in SNU Trust reserves.

Investment Brokers



The SNU Trust continue to work closely with the charity's broker, Quilter Cheviot Investment Management, and during 2020 have met regularly with their account manager to assess and review the management and performance of the SNU Trust portfolio.

The objective of the portfolio remains to generate income whilst maintaining the real value of the capital over the long-term to ensure that the Trust can meet current and future expenditure requirements in line with its charitable objectives.

At the start of the year, The Trust invested a further £650,000 in an additional portfolio with Quilter Cheviot, with all income generated by the new portfolio to be reinvested back into the portfolio.

Management of the Portfolio



The cost of managing the portfolio by Quilters is calculated as a percentage of the value of the portfolio at the end of each month; Quilter Cheviot therefore have a vested interest in ensuring the maximum growth of the Trust's portfolio whilst ensuring that any investment adheres to the strict parameters laid out in the agreed Investment Policy.

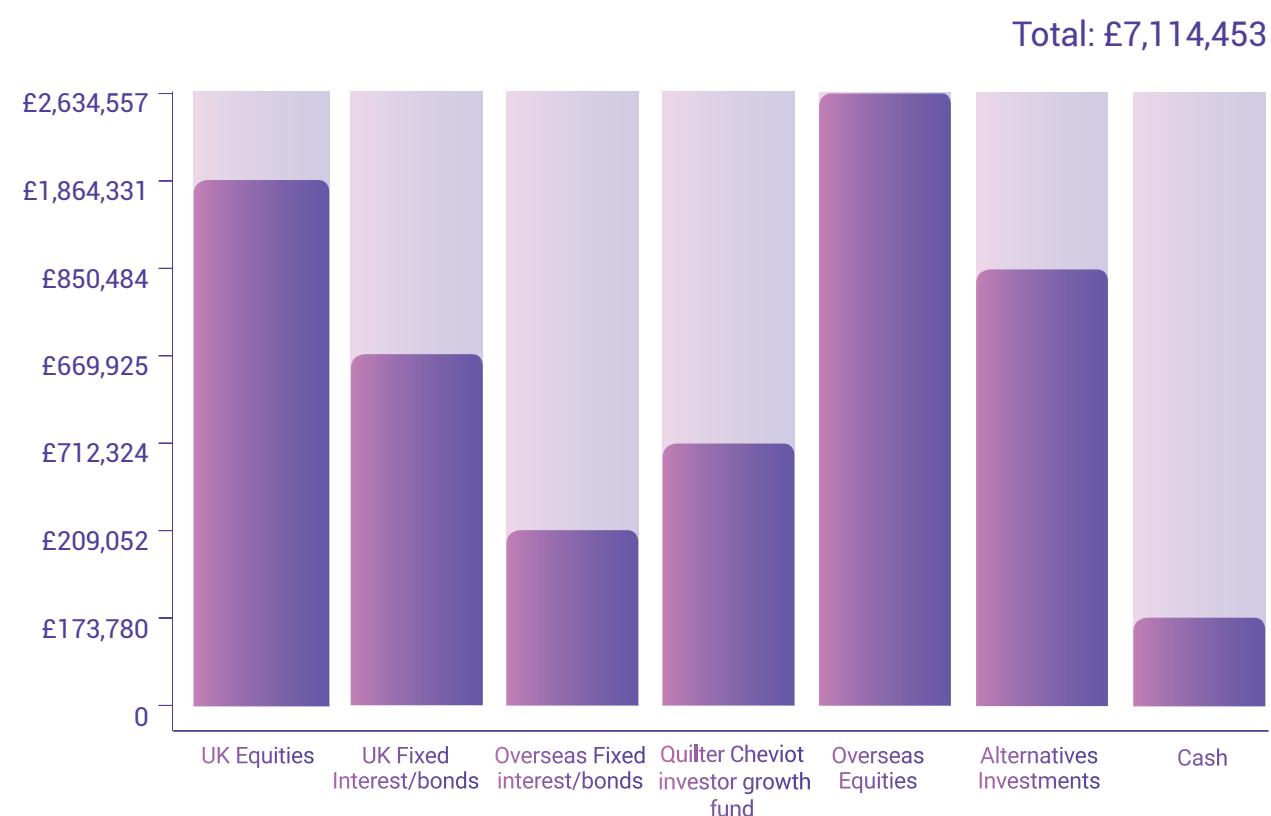
Quilter Cheviot are instructed to manage the portfolio on a discretionary basis and they are mindful of the objective of the portfolio at all times.

Performance During the Accounting Period



The SNU Trust portfolio managed by Quilter Cheviot returned 6.6% over the year to end 2020; this was ahead of the agreed composite benchmark of market indices which returned 3.2% and the ARC Steady Growth Charity Index which returned 3.5%. The portfolio is invested in equities (UK and overseas), fixed income, property as well as infrastructure and private equity listed vehicles.

The SNU Trust has a second portfolio which is invested in the Quilter Cheviot Global Income and Growth Fund for Charities. Since investment on 8 January 2021 the return has been 9.6% to the end of 2020, versus the benchmark which is a composite of market indices, which returned 2.5% over the same period. This is invested across the same asset classes as the main fund.



INVESTMENT POLICY STATEMENT: IN ACCORDANCE WITH THE TRUSTEE ACT 2000

This Policy Statement has been prepared by the Trustees and provides guidance as to how the stock market asset management functions delegated to Quilter Cheviot Investment Management by the Trustees should be exercised. It has been formulated with a view to ensuring that the asset management functions will be exercised in the best interests of the Trust.

Investment Objectives



The Trust aims to produce the best financial return within an acceptable level of risk. Over the long term, the investment objective is to grow the capital of the portfolio as well as generating income.

The investment objective parameters are to generate as a minimum, a return of inflation plus 3.5% pa over the long term, after expenses. This should allow the Trust to at least maintain the real value of the assets, whilst funding annual expenditure.

The Trust has defined a Medium Risk tolerance with our Investment Brokers. The medium level risk tolerance allows for capital growth to be achieved in the longer term allowing for market fluctuations. The time horizon for our investments is more than 5 years which means we can accept moderate disruption to capital value or current income in order to achieve our longer-term objective.

The Trust is able to tolerate volatility of the capital value, as long as the Trust is able to meet its short-term expenditure requirements through either income or liquid capital assets.

The Trusts' investment assets can be invested widely and should be diversified by asset class and management institution. Asset classes could include cash, government and corporate bonds, equities – UK and worldwide, property, structured products, commodities and any other asset deemed suitable to meet the objectives of the Trust.

Trustees, nominated by the Trust Committee, are charged with agreeing the suitable asset allocation with the Investment Brokers, subject to overall approval of all the Trustees. All proposed changes to investments will be agreed with the nominated Trustees.

Liquidity Requirements



The Trust aims to fund its annual operational costs of £225,000 pa and its estimated payments of £150,000 for returns on investment to members. This can be funded from both income, and if necessary, capital.

A minimum of 2% of total assets should be retained in cash, or near cash products at all times – this will be held as cash at bank and in hand.

Time Horizon



The Trust is expected to exist in perpetuity and investments should be managed to meet the investment objectives and ensure this sustainability. The Trust can adopt a long-term investment time horizon.

Ethical Investment Policy



The Trustees wish to adopt an exclusionary policy in respect of investments in Armaments.

Management, Reporting and Monitoring



The Trust has appointed a professional Investment Management firm to manage the assets (with the exception of the direct property portfolio), on a discretionary basis in line with this policy. The Investment Manager will provide custody of the assets.

The Investment Managers will produce quarterly valuation and performance reports. The performance report will show the progress of the portfolio against an appropriate benchmark – likely to be the Charity Composite benchmark. In addition, capital and income transaction reports will be provided after each transaction.

Nominated Trustees and Staff members will also have access via the Investment Managers' password protected website to view the portfolios valuations and transactions. Nominated Trustee authorised signatories are provided, two of which are required to sign instructions to the Investment Manager.

The Investment Manager will meet bi-annually to review the portfolio with the nominated Trustees responsible for Investments and will report to the Board of Trustees on an annual basis.

Approval and Review



This Investment Policy Statement was prepared by the Trustees responsible for investment management of the SNU Trust to provide a framework for the management of its investment assets. It has been reviewed during 2020 and will continue to be reviewed annually to ensure continuing appropriateness.

CHURCH DEPOSITS

During the accounting period, the charity has been aware that churches are experiencing unprecedented financial pressure which will continue throughout 2021.

As anticipated, there has been an increase in church withdrawals received during 2020; churches have been utilising the funds held in the Trust to top up local bank accounts and the Trust continues to provide support and advice for member and non-members. It has been pleasing to note some churches have still felt able to invest new funds with the Trust and the Board would like to extend their thanks to those churches for their continued support.

There has been a net drop in member deposits of around 4% for the accounting period, much of which can be attributed to funds withdrawn by the Spiritualists' National Union on behalf of the Arthur Findlay College.

Products and interest rates offered to churches are reviewed at each Trustee meeting to ensure that the charity continues to encourage existing and new members to further invest with the Trust. The SNU Trust is aware of the importance of the income provided to churches by way of interest on any savings held and the Board is always mindful to hold up rates on credit balances whilst holding rates down on loans whenever possible to support members to the best of their ability.

In December 2020, the Trustees agreed to continue to hold rates at their current levels, but it is important to note that rates are kept under constant review and are subject to change. However, the Trust remains committed to sustaining the rates paid to churches wherever possible.

TRUSTEES

The SNU Trust, like all voluntary bodies, is finding it increasingly difficult to find new Trustees to welcome on to the Board and has identified this as a key risk which must be addressed.

The current Trustees are aware that in order to safeguard the future of the charity, it is important to encourage more people to get involved to ensure a continuous approach to growing the charity to support SNU churches in the future. In order to engage with members, Treasurers of all member churches of the SNU Trust have been contacted and provided with information which outlines the key responsibilities of becoming a Trustee.

Whilst the SNU Trust is primarily focused on finance, there are other areas of qualification or experience required of Trustees which would be beneficial to the charity including legal, property or governance sectors. However the Board recognises the value of any volunteer who would like to support the SNU and its affiliated churches and would be happy to lend time and experience to the organisation.

Churches have been asked to consider if anyone of their members would be interested in becoming a Trustee, or if they would like to gain a better understanding of what would be required in the role, they are encouraged to contact the SNU Trust Head Office and speak to Lesley Gilbey. Alternatively, Trevor Critchley, the Chair of the SNU Trust can be contacted directly. (Details are available at the back of this brochure.)



PLANNING FOR THE FUTURE

During the last two years the SNU Trust has been working to implement the phased introduction of a new database system made necessary by the Trust's responsibility to ensure that the software used by the charity is up-to-date and fit for purpose.

The new system is now operational and will allow the Trust to administer member accounts efficiently and also enable the Trust to communicate more effectively, something that has become even more important during the last year.

During 2021 the charity plans to redesign and relaunch the website which will be used as another useful resource for members and non-members to provide information and support.

With restrictions relating to Covid-19 continuing to dominate in the coming year, the Trustees are committed to provide continued support and guidance to all SNU churches.

FINANCIAL REVIEW

The Board of the SNU Trust considers the Reserves Policy annually and have agreed the following policy for the accounting period 31 December 2020. The policy will be kept under review to ensure that it continues to be appropriate.

KEY MANAGEMENT PERSONNEL

The Trust considers its key management personnel to comprise of the Finance Manager and other Trust staff.

REMUNERATION POLICY

The Trust aims to maintain remuneration at levels that enable the charity to recruit and retain employees of suitable calibre and motivate them to achieve their set objectives.

Remuneration of all staff is reviewed annually in December when the Board reviews the remuneration of all staff as advised by the Trustee with responsibility for Human Resources and makes decisions on adjustments required. Any changes made take into account market movements applying to the role within the sector and all decisions are subject to overall budget approval by the board for the year in question.



SNU TRUST OPEN FORUM

14th August 2021 at 11am

<https://us02web.zoom.us/j/83739391604?pwd=bkFBMXNWNGJwK21lUWd5UHBTUUZsQT09>

Meeting ID: 837 3939 1604
Passcode: 687954

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The SNU Trust would like to invite all SNU churches, members and non-members, to an Open Forum to provide you with an opportunity to raise any questions with the Board of Trustees.

Please join us on **14 August 2021 at 11am.**

We look forward to seeing you there.



FINANCIAL REVIEW

The SNU Trust has agreed to adopt the following Reserves Policy for the accounting period; this will be reviewed annually to ensure that it continues to be appropriate.

Reserves Policy



The SNU Trust have agreed that the charity's desired level of unrestricted reserves should be sufficient to enable the charity to continue its day-to-day activities whilst also providing comprehensive protection for members funds invested in the SNU Trust. At the year end the level of unrestricted funds was £2,606,335.

The Trustees have agreed that the current reserve should be divided into smaller funds targeting specific areas of activity of the charity. This will give comfort that in the event of unforeseen circumstances the SNU Trust has made provision to ensure the continuation of the SNU Trust in supporting Spiritualism.

General Fund



The General Fund will cover working capital for the SNU Trust for a 12-month period, currently £225,000 and representing 7.91% of the total Unrestricted Reserves and is reviewed annually at the December meeting of the SNU Trust to ensure that the level of the fund is set at an appropriate level.

Designated Fund

MODERNISATION

The Modernisation Fund is to support the costs relating to development and roll-out of new church software, web site development, enhancement of marketing literature and other related expenses. It is anticipated that a fund of £50,000 will be sufficient for this purpose.

INVESTMENTS

Whilst the investment policy of the charity ensures that any risk is managed appropriately, the SNU Trust has taken the decision to set aside funds to provide protection for the charity in the event of a catastrophic market event which would threaten the investments held on behalf of the Trust by brokers and other financial organisations.

CHURCH DEPOSITS

A designated fund should be set aside to provide cover for church deposits. The reserve has been set at 13.53% (2019 11.74%) of the total funds held by the Trust on behalf of all members with the intention to work towards increasing this percentage to eventually match the funds held on deposit by members.

INVESTMENT PROPERTIES

This designated fund provides protection against an irrecoverable downturn affecting all the Trust's investment properties. Each building has full insurance for all eventualities thereby ensuring that all steps are taken to minimise any risk.

PROPERTY INVESTMENTS

The SNU Trust own three properties in the south of England that are leased out on long terms agreements to Choice UK who provided assisted living for adults with learning disabilities and other long-term needs; the Trust has no involvement in the management or operation of the homes.

The leases on all the care homes are full repairing leases and as such, Choice UK are responsible for all repairs, maintenance, and insurance of the properties. The SNU Trust incur no costs during the year relating to these properties.

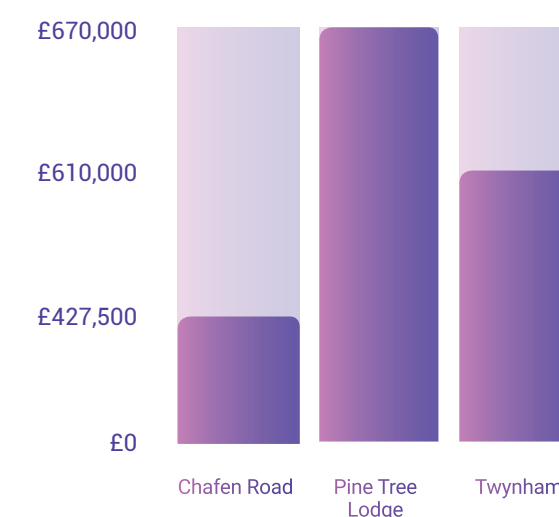
During 2020, Choice UK approached the SNU Trust with a view to investing further in the properties in return for an uplift in the rental income however Choice UK made the decision to delay any discussions until a more appropriate time. Should the tenant wish to return to this matter then the Board would be happy to consider their proposals.

The Trust regularly appraises the market value of its investment properties to ensure an appropriate income return on investment and that the valuation of the investment properties accurately reflects their market value. It was agreed by the Trustees that in light of the financial climate, it would be appropriate to ask for a formal review of valuations provided by Moses Rutland Chartered Surveyors in November 2018.

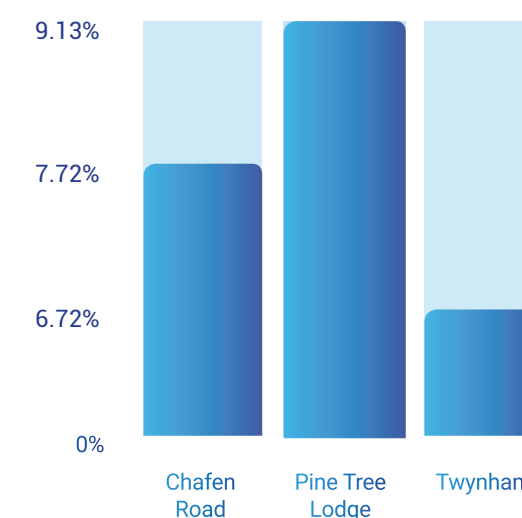
Philip Moses, of Moses Rutland Surveyors, was engaged to review the reports and the Trust has been advised that the value of the properties should be adjusted to ensure that fair value is stated in the accounts.

The SNU Trust continue to receive generous rental income from Choice UK which generates a return on Investment of 7.92%.

MV
31-03-21 **Total: £1,707,500**



RETURN
2020 **7.92%**



GOVERNANCE

Membership of the Trust is open to the Spiritualists' National Union (SNU), anybody being affiliated to or in association with the SNU, any branch or district council of the SNU and any Trust fund of which the SNU is custodian trustee.

The Spiritualists' National Union is an organisation which spiritualist churches may affiliate to. The SNU Trust was formed to enable churches who are members of the SNU to invest in and borrow from the charity so formed.

Risk Management



The SNU Trust assess all risks the charity may encounter at each meeting and this has become even more important during 2020, identifying the following as key risks.

RECRUITMENT OF NEW TRUSTEES

The identification and recruitment of new Trustees is considered an urgent priority for the SNU Trust during 2021. There are currently four trustees, being the minimum required, and this could lead to an inability to govern in accordance with the Articles of the charity. Steps taken to address this matter have been outlined earlier in the report.

CONFLICT OF INTEREST

The Trust operates a register of interests for all Trustees and the Trust has developed and published a detailed policy on managing potential conflicts of interest and loyalty, a copy of which is published on our website and is available to download. This policy outlines the responsibility of Trustees when considering any potential conflict which may affect their ability to make a decision as part of their duty as Trustee. At each meeting of Trustees, a complete record of current declarations is circulated to the attendees and Trustees are asked to declare any changes in their register of interests and loyalty; the register includes details of membership of SNU Committees, Churches, allied Trusts and any contractual involvement that Trustees might have with members of the Trust.

A Trustee will withdraw from any discussion or decision-making in respect of any matter in which a conflict of interest may arise.

DISASTER RECOVERY PLAN

The SNU Trust has a comprehensive disaster recovery plan which is a documented, structured set of instructions to allow the Trust to respond to unplanned incidents and have the ability to continue to operate or quickly resume critical functions. The plan is accessible to all staff and Trustees and is constantly under review.

DATA SECURITY

The Trustees have taken steps to ensure that the integrity of the data and documents held by the Trust will not be compromised. Computer data is securely backed up both on and off site and its reliability is tested as part of the Trust's Disaster Recovery Plan. Important documents are kept in a fireproof safe.

FRAUD PREVENTION

The SNU Trust has adopted the Internal Financial Controls for Charities Guidance (CC8) provided by the Charity Commission to ensure that essential checks and procedures are completed to ensure that the Trust meets their legal duties to safeguard the charity's assets.

Additional measures have been implemented designed to ensure that members funds are only used for their intended purposes; the signatory mandates which are sent out to members annually have been reviewed and updated to include changes which will give further protection.

Statutory Bodies



The charity is not authorised under the Financial Services & Markets Act 2000 as its activities are considered exempt, as the charity accepts deposits only from members, which are also charities. However, the Trustees are mindful that it is important that our activities are continually monitored for compliance with FCA guidelines.

Fundraising Compliance



The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

The SNU Trust does not raise any funds from the general public and can confirm that no internal resources are used for this purpose. In addition, the charity does not commission a professional fund-raiser/ commercial participator for fundraising.

The charity is not subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or voluntary standard for fund-raising in respect of activities on behalf of the charity.

The SNU Trust has adopted principals of GDPR legislation and also has policies to protect the data of members of the public from.

The Board confirms that no complaints were received during the year about activities for the purpose of fund-raising.

Related Parties



None of the Trustees receive remuneration for their duties as charitable Trustees.

Appointment and Induction of Trustees



Trustees are elected by SNU Trust member churches for a period of two years, with half retiring in alternate years. The retiring Trustees can be re-nominated and serve for a maximum of eight consecutive years, unless the Trustees consider it would be in the best interests of the charity to continue to serve beyond that point, and that the Trustee is appointed in accordance with the Articles.

It is required that Trustees have appropriate qualifications or experience in areas beneficial to the charity including, but not limited to, the legal, financial or property sectors. The level of competence required of a Trustee is explained in the Trust Deed. New Trustees are inducted by an existing Trustee and trained through regular attendance at meetings.

Custodian Trustee



The purpose of Higginson Securities Limited is to hold the legal charges in favour of the charity relating to members' secured loans owed to the SNU Trust. Going forwards, any legal charges acquired after May 2019 will be held by the SNU Trust and when all historic charges are released, Higginson Securities Limited will be wound up.

All title deeds relating to properties owned by the Trust and held by the SNU Trust which are secured on the investment properties.

Governing Documents



The SNU Trust is governed by Articles of Association, a copy of which can be obtained by contacting our office. The SNU Trust is registered at the Charity Commission (reg no 1182379), The Office of the Scottish Charity Regulator (reg no SC049738) and with Company House (reg no 11382378).

Organisation



The Trust is administered and managed by a Committee of Management which consists of up to eight members elected by members of the Trust from among full members of affiliated churches which are members of the Trust. With approval, the Committee of Management delegate day to day running of the Trust to the Finance Manager and other Trust Staff as appropriate.

The members of the Committee of Management during the year ended 31 December 2020 and to the date of this report were: -

T. Critchley (Chairman)

K. Smith (Secretary)

T. Coombe

J. Barton

TRUSTEES' RESPONSIBILITIES

In preparing the Trustees' 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 directors to prepare financial statements for each financial year.

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the Charities SORP FRS102;
3. make judgments and accounting estimates that are reasonable and prudent;
4. state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements;
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

BY ORDER OF THE COMMITTEE

T CRITCHLEY, CHAIR

Date: 14 April 2021

Principal address:

Burton End Lodge, Stansted Hall, Stansted' Essex CM24 8UD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF SPIRITUALISTS' NATIONAL UNION TRUST

OPINION

We have audited the financial statements of Spiritualists' National Union Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 Auditor's

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

EMPHASIS OF MATTER IN RELATION TO THE PROPERTY VALUATION

We draw attention to note 10 of the financial statements which describes that included within investments at the year end are property portfolios with valuations of £1,707,500 provided by Philip Moses MRICS of Moses Rutland Chartered Surveyors. At the year end date these valuations were subject to a material uncertainty related to COVID-19. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 directors' 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and how it operates and considered the risk of the charity not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charity this included employment law, financial reporting and health & safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

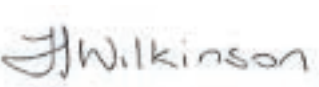
- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluated the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings, any correspondence with the Charity Commission, agreed the financial statement disclosures to underlying supporting documentation, made enquiries of management and officers of the charitable company regarding laws and regulations applicable to the organisation and reviewed the risk management processes and procedures in place including a review of the risk register maintained by the charitable company. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charity's trustees and members, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of
PRICE BAILEY LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 6th July 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 December 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME:					
Transfer from old SNU Trust		-	-	-	2,754,819
CHARITABLE ACTIVITIES:					
Interest on advances	2	28,517	-	28,517	23,501
Income from other trading activities:					
Management charges to SNU		45,781	-	45,781	25,030
INVESTMENTS:					
Income from investments		177,689	-	177,689	137,846
Rental income from investment properties	3	159,068	-	159,068	102,993
Total income		411,055	-	411,055	3,044,189
EXPENDITURE:					
Raising funds	4	57,527	-	57,527	25,786
Charitable activities:	5	308,751	1,231	309,982	214,967
Total expenditure		366,278	1,231	367,509	240,753
Net income/(expenditure) for the year before investment gains		44,777	(1,231)	43,546	2,803,436
Net gains on investments		51,895	-	51,895	277,648
Net income for the year being net movement in funds		96,672	(1,231)	95,441	3,081,084
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,075,098	6,014	3,081,112	28
Total funds carried forward		3,171,770	4,783	3,176,553	3,081,112

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 42 - 57 form part of these accounts.

BALANCE SHEET

As at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
TANGIBLE FIXED ASSETS:			
Freehold property	11	195,993	200,000
Computer equipment	11	10,843	9,620
Fixtures, fittings and equipment	11	3,870	4,339
INTANGIBLE FIXED ASSETS:			
Computer equipment	12	18,960	-
INVESTMENTS:			
Investments	15	7,114,453	6,203,777
Investment property	10	1,707,500	1,955,000
Total fixed assets		9,051,559	8,372,736
Current assets			
Programme related investments	14	1,788,384	1,799,102
Sundry debtors	16	19,632	18,973
Cash at bank and in hand		1,124,419	2,101,370
Total current assets		2,932,435	3,919,445
Liabilities			
Creditors: amounts falling due within one year	17	(6,616,404)	(7,835,460)
Net current liabilities		(3,683,970)	(3,916,015)
Total assets less current liabilities		5,367,590	4,456,721
Creditors: amounts falling due after more than one year	16	(2,191,037)	(1,375,609)
Total net assets		3,176,553	3,081,112
The funds of the Trust:			
Restricted funds	18	4,783	6,014
Unrestricted funds:			
General funds	18	225,000	225,000
Designated funds	18	2,381,834	2,037,662
Revaluation reserve	18	564,936	812,436
Total funds		3,176,553	3,081,112

Registration No 1382378 (England and Wales) Charity No 1182379; Scottish Charity No SC043097

BALANCE SHEET (continued)

As at 31 December 2020

The attached notes on pages 42 – 57 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 14 April 2021 and signed on their behalf by:



T. Critchley (Chair) K. Smith (Secretary)

Registration No. 11382378 (England and Wales); Charity No. 1182379; Scottish Charity No: SC043897

CASHFLOW STATEMENT

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash Flows from Operating Activities			
Net cash (used in) / provided by operating activities	22	(712,093)	(73,502)
Cash Flows from Investing Activities			
Rental income received		159,068	102,993
Investment income received		177,689	137,846
Purchase of tangible fixed assets		(36,458)	(13,162)
Purchase of investments		(2,996,914)	(645,785)
Proceeds from the sale of investments		2,431,757	669,685
Cash received upon transfer from SNU Trust		-	1,922,817
Net Cash Flows from Investing Activities		(264,858)	2,174,394
Change in cash and cash equivalents in the year		(976,951)	2,100,892
Cash and Cash equivalents brought forward		2,101,370	478
Cash and cash equivalents carried forward	22	1,124,419	2,101,370

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 - ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

The charity 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 notes.

(b) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Trustees have made the decision to invest some of the current assets over the years into listed investments and investment properties which return a better income. These can be sold should this become necessary.

The SNU Trust continues to consider forecasts and budgets to assess the ability of the charity to meet debts as they fall due. As such, they continue to adopt the going concern basis of accounts in the financial statements.

The SNU Trust is cognisant that the threat of Covid-19 and the restrictions placed on the nation has, and will continue to have, an impact on the running of the charity. The Board has completed a comprehensive review and is confident of the SNU Trust's ability to continue as a going concern.

(c) Group accounts

The financial statements contain information about the Trust as an individual charity and do not consolidate the subsidiary undertaking, Higginson Securities Limited (a company limited by guarantee). The charity and its subsidiary undertaking comprise a small-sized group. The charity has therefore taken advantage of the exemptions not to prepare group accounts in accordance with section 139(2) of the Companies Act 2006.

(d) Funds structure

Unrestricted funds comprise of funds which the Trustees are free to use for any purpose in the furtherance of the charitable objectives. The Trustees have created four designated funds to be used to support specific areas of the charity.

Further details of each fund are disclosed in note 18.

(e) Income

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

Income from Government Securities is recognised when it is received. Income accrued and not received on these securities at 31 December is included in the market value of the investments held.

Rental income under operating leases is charged to the profit and loss accounts on a straight line basis over the terms of the lease.

(f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds include fees and charges for the management of the investment portfolio and an apportionment of support costs.

Expenditure on charitable activities includes interest paid on investor accounts, governance costs and an apportionment of support costs.

(g) Taxation and Irrecoverable VAT

The Trust is a registered charity and is exempt from corporate taxes, to the extent of operating within its charitable objectives. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is determined by analysis of staff time sheets completed on a daily basis.

(i) Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised at cost and are depreciated over their estimated useful lives as follows:

Freehold property	2% straight line
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	10% - 20% straight line

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

(j) Investment properties

Investment properties are valued by the trustees at fair value and are not depreciated.

The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

(k) Programme related investments – concessionary loans

Concessionary loans are initially recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Any impairment losses are immediately recognised in the Statement of Financial Activities.

The Trust agrees advances to churches which are subject to agreements that are signed by the church for the full value of the advance as soon as the advance is agreed but funds are only drawn down by the church as required. Where the advance is for rebuilding or renovation costs the full value of the advance may not be drawn down in the same year as that in which the agreement is signed. In these cases, the value of the advance reported in the accounts is that which has been drawn down in the year not the full value of the advance.

(l) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(m) Debtors

Sundry debtors are recognised at the settlement amount due. Prepayments are valued at the amount repaid net of any trade discounts due.

(n) 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.

(o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(p) Financial instruments

The charity 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. Fixed assets are recognised at cost less depreciation and investments are recognised at their fair value being the market value, all other assets and liabilities are measured at cost being their fair value.

(q) Pension

Pension contributions to a defined contribution pension scheme are charged to the statement of financial activities as they occur. These contributions are invested separately from the Trust's assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

2 - INTEREST ON ADVANCES

Interest on advances as received from the member churches of SNU are disclosed as charitable activities as they are fulfilling a primary purpose of the Trust.

3 - INVESTMENT INCOME

	2020 £	2019 8 months £
Bank and other interest receivable	8,329	4,644
Income from listed investments	169,360	133,202
	177,689	137,846

Income from listed investments consists of:

	2020 £	2019 £
Income from Global equities	11,796	-
Income from UK equities	55,774	45,810
Income from UK fixed interest / bonds	16,482	12,344
Income from overseas equities	37,255	39,539
Income from overseas fixed interest	3,719	3,053
Income from alternative investments	44,334	32,456
	133,202	133,202

4 - RAISING FUNDS

	2020 £	2019 £
Investment portfolio management fees	50,510	18,732
Bank charges and interest	742	3,139
Support costs and governance (note 6)	6,275	3,915
	57,527	25,786

All expenditure in the current and prior year relates to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

5 - CHARITABLE ACTIVITIES

	2020 £	2019 8 months £
Interest paid on investor deposits	122,702	74,879
Support costs (note 6)	186,049	140,088
	308,751	214,967

All expenditure in the current and prior year relates to unrestricted funds.

6 - ALLOCATION OF SUPPORT COSTS**Current Period**

Cost Type:	Basis of allocation £	Charitable activities £	Raising Funds £	Total 2020 £
Governance:				
Auditor's remuneration	Direct	26,220	-	26,220
Management committee expenses	Direct	748	-	748
Trustees' indemnity insurance	Direct	440	-	440
AGM expenses	Direct	5,039	-	5,039
Legal & professional fees	Direct	5,319	-	5,319
Total income		37,766	-	37,766
Support:				
Staff costs	Staff time	104,142	4,407	108,549
Staff training	Staff time	248	10	258
Depreciation	Staff time	19,966	845	20,811
Stationery and advertising	Staff time	1,953	83	2,036
Water rates	Staff time	48	2	50
Office expenses	Staff time	113,665	578	14,243
Equipment rental	Staff time	718	30	748
Telephone	Staff time	1,272	54	1,326
Postage	Staff time	494	21	515
Repairs and maintenance	Staff time	1,563	66	1,629
Light and heat	Staff time	2,118	90	2,208
Insurance	Staff time	2,096	89	2,185
		186,049	6,275	192,324

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

6 - ALLOCATION OF SUPPORT COSTS (continued)**Prior Year**

Cost Type:	Basis of allocation £	Charitable activities £	Raising Funds £	Total 2019 8 month £
Governance:				
Auditor's remuneration	Direct	23,340	-	23,340
Management committee expenses	Direct	2,109	-	2,109
Trustees' indemnity insurance	Direct	290	-	290
AGM expenses	Direct	7,768	-	7,768
Legal & professional fees	Direct	14,027	-	14,027
		47,535	-	47,535
Support:				
Staff costs	Staff time	65,983	2,792	68,775
Staff training	Staff time	246	10	256
Depreciation	Staff time	6,690	283	6,973
Stationery and advertising	Staff time	1,201	513	1,252
Water rates	Staff time	31	1	32
Office expenses	Staff time	10,183	431	10,614
Equipment rental	Staff time	534	23	557
Telephone	Staff time	791	33	824
Postage	Staff time	290	12	302
Repairs and maintenance	Staff time	4,927	208	5,135
Light and heat	Staff time	318	13	331
Insurance	Staff time	1,359	58	1,417
		140,088	3,915	144,003

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

7 - NET INCOME/(EXPENDITURE):

Net income/(expenditure) is stated after charging:

	2020 £	2019 8 months £
Auditor's remuneration - audit services	20,255	19,450
Auditor's remuneration - accountancy	1,945	3,890
Depeciation	20,811	6,972
Operating lease rentals - plant & machinery	749	832

8 - STAFF EMOLUMENTS

	2020 £	2019 8 months £
Wages and salaries	93,837	60,741
Social Security costs	9,329	5,769
Employer's contribution to defined contribution pension scheme (note 9)	9,384	5,265
	112,550	71,775

The average number headcount of employees during the year was made up as follows:

	2020	2019
Office and administration	3	3

No employees had emoluments in excess of £60,000 (2019: none).

The Trust considers its key management personnel comprise the Finance Manager and other Trust Staff as appropriate. This therefore includes all 3 members of staff and their aggregate remuneration as noted above. Included within other trading income is £45,781 (2019: £25,020) in relation to salaries recharged to other organisations during the year.

None of the trustees received any remuneration or benefits in kind from the Trust during the period (2019: £Nil).

Expenses relating to travel and subsistence for attendance at trustee meetings were reimbursed to 4 trustees (2019: 6) during the period and amounted to £5,786 (2019: £9,878).

During the period Trustees Indemnity Insurance was purchased for £440 (2019: £290).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

9 - PENSION COSTS

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. Contributions payable by the Trust amounted to £9,384 (2019: £5,265). At the year end, contributions totalling £823 (2019: £749) remained outstanding and are included in sundry creditors.

10 - INVESTMENT PROPERTIES

Valuation	2020 £	2019 £
As at 1 January 2020	1,955,000	-
Transfer from old Trust	-	1,955,000
Revaluation	(247,500)	-
As at 31 December 2020	1,707,500	1,955,000

The properties were revalued on 12 November 2018 by Philip Moses MRICS of Moses Rutland Chartered Surveyors in accordance with the requirements of RICS Valuation-Professional Standards 2017 and FRS102. At the year end date these valuations were subject to a material uncertainty related to COVID-19.

11 - TANGIBLE FIXED ASSETS

	Freehold property £	Computer equipment £	Fixtures, fittings and equipment £	Total £
COST				
As at 1 January 2020	203,333	12,609	4,989	220,931
Additions	-	6,458	-	6,458
	203,333	19,067	4,989	227,389
DEPRECIATION				
As at 1 January 2020	3,333	2,989	650	6,972
Charge for year	4,067	5,275	469	9,771
	7,400	8,224	1,119	27,783
NET BOOK VALUE				
At 31 December 2020	195,933	10,843	3,870	210,646
At 31 December 2019	200,000	9,620	4,339	213,959

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

12 - INTANGIBLE FIXED ASSETS

	Computer equipment £	Total £
COST		
As at 1 January 2020	-	-
Additions	30,000	30,000
	30,000	30,000
AMORTISATION		
As at 1 January 2020	-	-
Charge for year	11,040	11,040
	11,040	11,040
NET BOOK VALUE		
At 31 December 2020	18,960	18,960
At 31 December 2019	-	-

12 - FIXED ASSET INVESTMENTS

The charity holds more than 20% of the share capital of the following company:

Higginson Securities Limited is a company limited by guarantee and incorporated in the United Kingdom. The company is dormant.

Cost Type:	Holding £	Capital and Reserves 2019 £	Profit/(Loss) for the year 2019 £
Higginson Securities Limited (company no: 04208575)	100	-	-

The financial statements contain information about the Trust as an individual charity and do not consolidate the subsidiary undertaking, Higginson Securities Limited (a company limited by guarantee), on the basis that it is a dormant company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

13 FIXED ASSET PROGRAMME RELATED INVESTMENTS

	2020 £	2019 £
PROPERTY - PALMERSTON PLACE		
Cost at 1 January	1,015,982	-
Transfer from old Trust	-	1,015,982
As at 31 December 2020	1,015,982	1,015,982
CONCESSIONARY LOANS		
Cost at 1 January	783,120	-
Transfer from old Trust	-	1,067,023
Repayments	783,120 (10,718)	1,067,023 (283,903)
Cost at 31 December	772,402	783,120
Total Programme related investments	1,788,384	1,799,102

All concessionary loans made by the Trust are charged interest at 3.75% and are secured by way of a first legal charge on the properties to which the loans relate. These relate to loans given to member churches of the SNU which are part of the charitable purposes of the Spiritualists' National Union Trust. There were no concessionary loans committed to or offered but not taken up at the period end (2019: £Nil).

For information:		
Loans due within one year	19,113	48,073
Loans due after more than one year	735,290	735,047
Total Programme related investments	772,402	783,120

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

14 - INVESTMENTS

	2020 £	2019 8 months £
MARKET VALUE		
At 1 January	6,203,777	-
Transfer from old Trust	-	5,958,188
Additions	3,000,851	645,785
	9,204,628	6,603,973
Disposals at carrying value	(2,431,757)	(669,685)
Unrealised gains on investments	259,191	263,503
	7,072,266	6,197,791
Movements in cash accounts	46,124	5,986
Market value at 31 December	7,114,453	6,203,777
Historical cost at 31 December	5,437,664	5,114,178

	2020 £	2019 £
Investments are allotted to each range as follows:		
UK equities	1,864,331	1,937,406
UK fixed interest / bonds	669,925	781,304
Overseas fixed interest / bonds	209,052	120,042
Overseas equities	2,634,557	2,381,558
Alternative investments	850,484	855,811
Quilter Cheviot Investor Growth Fund	712,324	-
Cash	173,780	127,656
	7,114,453	6,203,777

All investments are held primarily for the purpose of providing an investment return.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

15 - DEBTORS

	2020 £	2019 £
Trade debtors	3,377	3,532
Other debtors	14,333	12,947
Prepayments and accrued income	2,494	2,494
	19,632	18,973

16 - CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 8 months £
Investors' balances:		
Deposit account	255,294	265,203
Investment accounts	5,001,107	5,099,646
Super accounts	63,239	67,627
Fixed rate bonds	1,262,701	2,321,676
Regular saver plus accounts	5,570	16,784
	6,587,911	7,770,936

	2020 £	2019 £
Trade creditors	3,751	728
Sundry creditors	978	1,332
Accruals	21,210	60,090
Tax and social security	2,554	2,374
	6,616,404	7,835,460

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Investor's Balances - Fixed Rate Bonds	2,919,037	1,375,609
	2,919,037	1,375,609

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

17 - FUNDS: MOVEMENTS IN YEAR

CURRENT YEAR	1 January 2020 £	Income £	Expendi- ture £	Transfers £	Gains/ (losses) £	31 Dec 2020 £
Unrestricted Funds						
General funds	225,000	45,781	(320,081)	274,300	-	225,000
Designated Funds						
Church deposits	1,074,131	28,517	-	85,243	-	1,187,890
Investments	694,631	177,689	(46,197)	(203,373)	299,395	922,146
Properties	218,900	159,068	-	(156,649)	-	221,319
Modernisation	50,000	-	-	-	-	50,000
Revaluation Reserve	812,436	-	-	-	(247,500)	564,936
Restricted Funds	6,014	-	(1,231)	479	-	5,262
	3,081,112	411,055	(367,509)	-	51,895	3,176,553

The restricted fund is the Ray Taylor Memorial Fund in memory of Ray Taylor, a former trustee of the previous unincorporated entity, The SNU Trust, and the funds were donated to the new entity, Spiritualist's National Union Trust, and are to be used for distressed churches.

PRIOR PERIOD	1 January 2019 £	Income £	Expendi- ture £	Transfers £	Gains/ (losses) £	31 Dec 2019 £
Unrestricted Funds						
General funds	28	(142,975)	(222,021)	589,968	-	225,000
Designated Funds						
Church deposits	-	532,889	-	541,242	-	1,074,131
Investments	-	1,174,936	(18,732)	(739,221)	277,648	694,631
Properties	-	560,889	-	(341,989)	-	218,900
Restructure	-	100,000	-	(100,000)	-	-
Modernisation	-	-	-	50,000	-	50,000
Revaluation Reserve	-	812,436	-	-	-	812,436
Restricted Funds	-	6,014	-	-	-	6,014
	28	3,044,189	(240,753)	-	277,648	3,081,112

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

18 - NET CURRENT ASSETS

CURRENT YEAR	Fixed Assets £	Net current assets / (liabilities) £	Creditors greater than one year £	Fund balance £
Unrestricted Funds				
General funds	7,907,857	(5,491,820)	(2,191,037)	225,000
Designated Funds				
Church deposits	-	1,188,131	-	1,188,131
Investments	922,338	-	-	694,631
Properties	221,366	-	-	218,900
Modernisation	-	50,000	-	50,000
Revaluation Reserve	-	564,936	-	564,936
Restricted Funds	-	4,783	-	4,783
	9,051,559	(3,683,970)	(2,191,037)	3,176,553
PRIOR PERIOD				
Unrestricted Funds				
General funds	7,459,205	(5,858,596)	(1,375,609)	225,000
Designated Funds				
Church deposits	-	1,074,131	-	1,074,131
Investments	694,631	-	-	694,631
Properties	218,900	-	-	218,900
Modernisation	-	50,000	-	50,000
Revaluation Reserve	-	812,436	-	812,436
Restricted Funds		6,014		6,014
	8,372,736	(3,916,015)	(1,375,609)	3,081,112

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

19 - OPERATING LEASES**LESSEE:**

At 31 December 2020 the Trust had commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Fixtures, Fittings and Equipment: Not later than one year	-	832
	-	832

LESSOR:

At 31 December 2020 the Trust had agreed commitments as a lessor under non-cancellable operating leases to receive the receipts as follows:

	2020 £	2018 £
Investment Properties: Not later than one year	161,068	145,842
Later than one year and not later than five years	607,309	529,609
Greater than five years	704,417	742,000
	1,472,794	1,417,451

20 - RELATED PARTIES

During the year, some members of the SNU Trust Board were part of the member churches who undertook transactions with the SNU Trust. All of these transactions were part of the normal activities of the Trust and were not influenced or controlled by those members of the Board. There are no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

21 - RECONCILIATION OF NET INCOME TO NET CASHFLOW IN OPERATING ACTIVITIES

	2020 £	2019 £
Net Income	95,441	3,081,084
Adjusted for:		
Depreciation charges	20,811	6,972
Gains on investments	(51,895)	(276,830)
Cash movement on investment portfolio	(46,124)	(5,986)
Dividends interest and rents from investments	(336,757)	(240,839)
Decrease in debtors	10,059	295,512
(Decrease)/Increase in creditors	(403,628)	(178,597)
Transfer of net assets from SNU Trust	-	(2,544,818)
Net cash provided by operating activities	(712,093)	(73,502)

22 - ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at hand	1,124,419	2,101,370
Total	1,124,419	2,101,370

23 - ANALYSIS OF NET DEBT

	At 1 Jan 2020 £	Cash flows £	Other non-cash changes £	At 31 Dec 2020 £
Cash and cash equivalents:				
Cash at bank and in hand	2,101,370	(976,951)	-	1,124,419
Total	2,101,370	(976,951)	-	1,124,419

SNU TRUST SAVINGS ACCOUNTS

	CURRENT INTEREST RATE		FURTHER DETAILS
INSTANT ACCESS			
DEPOSIT ACCOUNT	0.00%	Instant Access	All members must have a deposit account with a min of £250 - this then gives them access
INVESTMENT	0.50%	Instant Access	Withdrawals can be made by scanning authority to office
REGULAR SAVER	1.00%	Monthly deposits of £1 - £100	Account runs for 12 months but can be renewed if desired
	1.50%	Monthly deposits of £101 - £249	
	2.00%	Monthly deposits of £250 - £1,000	
FIXED TERM			
One Year FRD	1.00%	Minimum deposit £5000	Interest paid on maturity
Two Year FRD	2.00%	Minimum deposit £5000	Interest paid on maturity
1-4-1	4.00%	£1000 of new money for 1 Year	Available from 15 October 2021

CHURCH ADVANCE (LOAN PRODUCT)

Loans are available from the SNU Trust based on affordability by the church.

All loans must be secured on the church building.

Regular monthly repayments.

No administration fees or early redemption charges.

Lump sum reductions allowed with no penalties.

We are Not For Profit and actively encourage churches to repay as soon as possible to ensure they pay no more interest than necessary.

TRUSTEES

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