

SYLVANUS LYSONS CHARITY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH SEPTEMBER 2020

SYLVANUS LYSONS CHARITY

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020

CONTENTS	Page
Trustees' Report	2 - 7
Statement of Trustees' Responsibilities	8
Independent Auditors' Report	9-11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 - 24

SYLVANUS LYSONS CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2020

The Trustees present their report and financial statements for the year ended 30th September 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011, and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

1 Origins

The Charity was established by the Will of Sylvanus Lysons of Hempsted, Gloucester who died in 1731. The Charity came into existence on the death of his widow in 1750. The charity is registered with the Charity Commission in England and Wales, its registered number is 202939.

2 Objects

The original objects of the Charity were to pay pensions to poor widows of clergy of the Diocese of Gloucester and to pay the remainder of the income to the Rector of Hempsted in augmentation of his stipend.

The objects of the Charity have been varied from time to time by schemes made by the Charity Commission. The scheme presently governing the regulation of the Charity was made in 1980. It continues to make provision for the payment of grants to clergy widows. Provision is also made for the payment of the stipend of the Priest in Charge of Hempsted Parish.

The residue of the income is to be applied in furthering the religious and other charitable work of the Church of England in the Diocese of Gloucester.

3 Grant making policy

The Trustees' present policy is to provide financial support for projects that fall within the Charity's objects. Such projects may include initiatives taken by the Diocese of Gloucester, individual parishes and other Christian organisations designed to further the work of the Church within the Diocese. The Trustees' policy is to give assistance to establishing projects and to support them through the initial years before they can become self-funding.

Grants have been given in the past to assist with the following types of projects:- working with disadvantaged/disabled young persons and adults, youth workers and support in the local community.

The grants are normally made either as a single payment or by seed corn funding by quarterly instalments over a specified period of time for an ongoing project. In such cases the applicant is required to produce annual progress reports.

Applications are also considered from individuals in need falling within the scope of the Charity's objects, including support for education, training and welfare of members of the clergy.

It is not the Trustees' present policy to make grants towards the cost of repairs of churches or other buildings, other than in exceptional circumstances.

SYLVANUS LYSONS CHARITY

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

4 Trustees

The Trustees during the year were:

Mr. G.V. Doswell	Chairman and Chartered Insurer
The Right Reverend R.W. Springett	Bishop of Tewkesbury
Mr. I.J. Templeton	Chartered Insurance Practitioner
The Venerable Phil Andrew	Archdeacon of Cheltenham
Rev Canon H Sammon (retired 17th January 2021)	Clerk in Holy Orders

Method of appointment/election

Trustees are appointed for a term of five years by the current board of trustees. The board must consist of five competent persons, three of whom are beneficed clergy, two of whom are laity. The trustees already have the experience and expertise necessary to carry out the work of the Charity. There is an initial consultation to introduce prospective trustees to the work of the charity.

Advisers:

Tayntons Solicitors 8-12 Clarence Street Gloucester GL1 1DZ	Solicitors & Principal Place of Business
---	--

Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QN	Investment Managers
---	---------------------

Bruton Knowles Chartered Surveyors Bisley House Green Farm Business Park Bristol Road Gloucester GL2 4LY	Property Advisers
---	-------------------

Pitt Godden & Taylor LLP Unit 3 Ambrose House Meteor Court Barnett Way Barnwood Gloucester GL4 3GG	Auditors
---	----------

The Trustees meet regularly throughout the year. A review of the investment portfolio takes place periodically with the investment manager from Investec Wealth & Investment Limited. Grant applications that have been received since the last meeting are also considered and determined. Applications for grant aid that cannot be deferred until the next meeting are determined by consultation with each of the Trustees or, in the case of small scale applications, by a committee of any two Trustees.

5 Investments

The investment powers are contained in a scheme sealed by the Charity Commissioners on 6 September 2000. The objective of the investment policy is to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year on year.

SYLVANUS LYSONS CHARITY

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

5 Investments (continued)

The trustees have an agreed investment performance benchmark with their investment managers based on: the trustees' requirements for cash to make grants; the trustees' attitude to investment risk; and the expected life of the Charity. Based on the answers to these questions they have agreed a bespoke benchmark with the investment managers of: 10% of the return of the FTA British Government All Stocks Index; 70% of the FTSE All Share Index; 4% of the FTSE World Ex UK Index; 8% of Bank of England Base Rate (+2%) (infrastructure) and 8% of IPD monthly (property). This allocation is classified as "Medium/High" risk and there are agreed limitations as to the minimum and maximum amounts of each asset class that can be held. The trustees understand that over the long term this agreed format will allow the capital value of the portfolio to be retained in real terms and will generate a good level of income to fund grants. The trustees also understand that investments do not move in a linear fashion and there will be years and periods perhaps longer than a year when the portfolio value may fall. However, they also understand that, based on historical returns, equity investment is necessary if the value of both the capital of the fund and income is to maintain its purchasing power when compared with inflation.

During the twelve months to 30th September 2020 the portfolio generated a total return of -6.98% compared with the benchmark's return of -11%. Over the past 3 years the cumulative return has been +6.77% compared to the benchmark's return of -1.62%. The trustees monitor the performance of the investment manager carefully and consider that they are being well served by the current arrangements.

The portfolio mix will normally fall within the following ranges:-

	<u>%</u>
UK equities	50-75
Non-UK equities	0-10
Property	0-10
Infrastructure	0-10
Fixed interest	5-20
Cash	<u>0-10</u>

Some investments are excluded on ethical grounds having regard to the guidelines of the General Synod of the Church of England.

The land and properties held by the Charity may be realised for the benefit of the Charity as and when the opportunity arises. The Charity is in the process of selling the development land and the charity has entered into a conditional exchange of contracts with a buyer. The position regarding the remainder of the land owned by the Charity at Hempsted will be reviewed once the sale of the development land has been completed.

The property owned by the charity in Bristol Road continues to be leased long-term, save for 206 Bristol Road which continues to be let on an assured shorthold tenancy.

6 Financial Review

Market values of the investment portfolio decreased during the year to £8,402,896 from £9,420,160. This decrease was largely the result of volatility in global stockmarkets arising from the outbreak of the Covid-19 pandemic.

SYLVANUS LYSONS CHARITY

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

6 Financial Review (continued)

The portfolio mix at 30 September 2020 was:-

	2020	2019
	<u>%</u>	<u>%</u>
UK equities	59.4	72.5
Non-UK equities	10.2	5.0
Fixed interest	12.1	8.2
Others	18.2	14.0
Cash	<u>0.1</u>	<u>0.2</u>
	<u>100.0</u>	<u>100.0</u>

The yield on the investment portfolio for 2020 was 3.2% (2019: 3.2%). Total income generated by the charity was £375,717 (2019: £407,764), which includes income from land and properties of £68,490 (2019: £68,645). There was a reduction in income received from the investment portfolio as the result of dividend payments being reduced or deferred.

During the year the charity had commitments to pay grants of £186,478. The grants paid out are listed on pages 16 to 18.

The Charity has unrestricted reserves of £287,560 (2019 £194,610).

7 Public Benefit

The Trustees have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission on public benefit statements. The projects that have received grants from Sylvanus Lysons Charity during the year provide support, education, employment and training designed to benefit local communities.

For example the following significant grants were agreed in the year and in some cases will be paid in forthcoming years:

The Rock Cheltenham

This application was to support an activity development worker over three years. The Rock project provides daytime educational support with leisure time community youth work. A grant of £15,000 was given to this project for one year, allowing The Rock to reapply for further funding should the project go well.

Listening Post

The application was for funding towards the cost of providing clinical supervision for voluntary counsellors. The Trustees had previously supported the Listening Post, and were happy with the work the Centre undertakes. A grant of £18,000 payable over three years was agreed.

Wayfarers Monastery

A grant of £12,000 was given to fund a new post for the Wayfarers Monastery Project which pioneers sacred spaces for missions and discipleship. The post fits into the Gloucester Diocese Life Vision and would be filled by an ordained team member. The grant was agreed subject to the appointment being made.

Evenlode Vale

This application was for a sports and outreach youth worker. The charity agreed to fund this project for two years, with a total grant of £14,000.

SYLVANUS LYSONS CHARITY

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

7 Public Benefit (continued)

Clergy Counselling Service

The grant application was to fund ongoing clergy wellbeing counselling through the provision of a range of professional services and support. The clergy now face additional pressure of working with the Covid-19 pandemic. The support given is provided via a range of pastoral, practical, and professional support mechanisms, to help build resilience in the clergy and their immediate dependants.

The trustees agreed a grant of £20,000 for the 2020 calendar year.

Unfortunately the Covid-19 pandemic affected the planned implementation of a number of projects, such as those listed below, for which funding had been agreed in 2020. The Charity is continuing to support all these projects wherever possible, and has in some cases maintained its funding commitment.

Viney Hill Christian Adventure Centre

The Trustees agreed a grant of £12,000 for one year, to support a new initiative in sports mission and other areas of work for children and young people. The grant was temporarily suspended due to Covid-19 but restarted post year end, before the second lockdown.

GBDF Holy Land Pilgrimage

The Trustees agreed a grant of up to £33,400 towards the cost of a pilgrimage to The Holy Land for senior clergy in their late fifties and early to mid sixties with at least two to three years before retirement. The objective is to provide an experience to encourage senior clergy members in their work to ultimately benefit the public. Due to Covid-19 this pilgrimage has now been postponed until March 2022.

GDBF Everyday Faith Event

The Charity originally agreed a grant for up to £15,000 towards the cost of a faith event at Cheltenham Racecourse, designed to inspire and equip Christians in the Gloucester Diocese. The event was going to be a gathering of approximately 800 people from across the Diocese. Unfortunately due to the Covid-19 pandemic, restrictions were placed on the event, and the grant was used to cover the actual costs incurred of £7,756.

St Peter and St Paul - Northleach

This grant was agreed during 2018 and was for three years to fund a Community Builder at the Black Cat Café. The Covid-19 outbreak has meant that this project has now stopped and has resulted in the charity cancelling the remaining grant that was due to be paid.

Youth workers

As in previous years the charity continues to fund a number of other youth workers based around local churches. This is often to provide services not otherwise available and furthers the religious and charitable work of the Church of England.

Other grants

In addition a total of £36,456 (2019: £23,643) small individual payments were given as educational or subsistence grants.

SYLVANUS LYSONS CHARITY

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

7 Public Benefit (continued)

The Charity takes a long term view in not only helping the projects to commence but also in enabling the projects to keep going over a number of years to provide maximum benefit. Where a project requires long term assistance, the Charity pays these grants on a quarterly basis subject to satisfactory annual reports from the beneficiary.

8 Reserves Policy

The capital of the charity is endowed. Unrestricted revenue reserves are held by the charity to mitigate against the risk of unexpected reductions in income affecting its ability to respond to new grant applications and to provide to the extent possible, capacity to respond to future projects for which support on a large scale may be envisaged.

As the charity makes commitments to pay grants over periods extending beyond one year, the charity must ensure there are sufficient reserves available at any time to meet these commitments. While the trustees consider in normal circumstances that the charity needs to hold unrestricted reserves in the region of £120,000, they have borne in mind the prevailing uncertainty regarding the level of future investment income arising from the continuing Covid-19 pandemic. The balance held as unrestricted reserves at 30 September 2020 was £287,560 (2019: £194,610) and there were no unprovided liabilities for future grants. Reductions in general levels of activity arising from the Covid-19 outbreak, including the restriction or cancellation of some previously approved projects, have contributed to the increase in reserves at year end.

9 Risk management

The Trustees are satisfied there are sufficient systems in place to mitigate any major risks to which the charity is exposed. The trustee have identified three categories of risks: trusteeship, financial and relationship. Each category has been reviewed, the risks identified and an assessment made on the likelihood, and impact of those risks. Based on this assessment an appropriate control has been put in place. The risk register is reviewed annually at a Trustee meeting and updated as necessary. Any new risks arising are also considered at each meeting.

BY ORDER OF THE TRUSTEES

G.V. DOSWELL

THE RIGHT REVEREND R W SPRINGETT

7th March 2021

SYLVANUS LYSONS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping sufficient accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE TRUSTEES

G.V. DOSWELL

THE RIGHT REVEREND R W SPRINGETT

7th March 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SYLVANUS LYSONS CHARITY

Opinion

We have audited the financial statements of Sylvanus Lysons Charity for the year ended 30 September 2020, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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), including Financial Reporting Standard 102.

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 September 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SYLVANUS LYSONS CHARITY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees are responsible for the preparation of 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SYLVANUS LYSONS CHARITY

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the (Charities Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 'auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Pitt Godden & Taylor LLP
Chartered Accountants
Statutory Auditor

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester GL4 3GG

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

7th March 2021

SYLVANUS LYSONS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	Notes	Unrestricted income funds	Capital endowment funds permanent	Total 2020	Total 2019
		£	£	£	£
Income:					
<i>Investment income:</i>					
Net property income	2	68,490	-	68,490	68,645
Income from listed investments	3	306,783	-	306,783	338,354
Interest on bank deposits		444	-	444	765
Total income		375,717	-	375,717	407,764
Expenditure					
<i>Costs of raising funds:</i>					
Investment managers fees	4	-	40,471	40,471	42,213
Property maintenance fees	4	-	39,292	39,292	29,222
<i>Expenditure on charitable activities:</i>					
Grants	5	200,314	-	200,314	269,841
Stipend	6	42,978	-	42,978	42,767
Other costs	8	39,475	-	39,475	28,931
Total expenditure		282,767	79,763	362,530	412,974
Net gains on investments					
Unrealised and realised gains on investments		-	1,049,056	1,049,056	209,754
Net income		92,950	969,293	1,062,243	204,544
Reconciliation of funds:					
Total funds brought forward		194,610	12,548,904	12,743,514	12,538,970
Total funds carried forward		287,560	13,518,197	13,805,757	12,743,514

SYLVANUS LYSONS CHARITY

BALANCE SHEET AS AT 30TH SEPTEMBER 2020

	Notes	Unrestricted income funds	Capital endowment funds permanent	Total 2020	Total 2019
		£	£	£	£
FIXED ASSETS					
INVESTMENTS					
Property	9	-	5,255,000	5,255,000	3,255,000
Listed securities	10	-	8,402,896	8,402,896	9,420,160
		<u>-</u>	<u>13,657,896</u>	<u>13,657,896</u>	<u>12,675,160</u>
CURRENT ASSETS					
Debtors	11	190,897	-	190,897	195,326
Cash at bank	12	451,956	10,462	462,418	453,438
		<u>642,853</u>	<u>10,462</u>	<u>653,315</u>	<u>648,764</u>
CURRENT LIABILITIES: Amounts falling due in one year or less					
Creditors	13	294,693	150,161	444,854	442,110
NET CURRENT ASSETS/(LIABILITIES)		348,160	(139,699)	208,461	206,654
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>348,160</u>	<u>13,518,197</u>	<u>13,866,357</u>	<u>12,881,814</u>
CREDITORS: amounts falling due in more than one year	14	(60,600)	-	(60,600)	(138,300)
TOTAL NET ASSETS		<u>287,560</u>	<u>13,518,197</u>	<u>13,805,757</u>	<u>12,743,514</u>
THE FUNDS OF THE CHARITY:					
CAPITAL ENDOWMENT FUNDS	15	-	13,518,197	13,518,197	12,548,904
UNRESTRICTED INCOME FUNDS	16	287,560	-	287,560	194,610
TOTAL CHARITY FUNDS		<u>287,560</u>	<u>13,518,197</u>	<u>13,805,757</u>	<u>12,743,514</u>

The financial statements on pages 12 to 24 were approved by the Trustees on 7th March 2021 and were signed on their behalf by:

G.V. DOSWELL

Trustee

THE RIGHT REVEREND R W SPRINGETT

Trustee

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020

1 ACCOUNTING POLICIES

Charity information

The charity is a registered charity with the Charity Commission in England and Wales. Its registered number is 202939. The principal business address is Tayntons Solicitors, 8-12 Clarence Street, Gloucester, GL1 1DZ.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 published in October 2019, and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent provided to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The accounting policies adopted for dealing with items which are judged material or critical are given below.

The financial statements are prepared in pound sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, except for investments which have been included at revalued amounts.

Going Concern and Covid-19

The economic disruption caused by the Covid-19 outbreak continues. This means dividend income levels remain difficult to predict, and a reduction may mean the charity needs to reduce its grant payments at some point in the future.

At the time of approving the accounts, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Income

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

Rents and wayleaves

Rents and wayleaves represent amounts receivable for the year.

Interest and dividends receivable

Interest income is recognised on notification from the bank of interest payable by them. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure and irrecoverable VAT

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be reliably measured. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is classified under the following activity headings:

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020

1 ACCOUNTING POLICIES (continued)

Expenditure and irrecoverable VAT

Costs of raising funds comprise the costs associated with managing the investments held by the charity, including the fees charged by the Investment Managers, and costs associated with maintaining the value of the investment properties.

Expenditure on charitable activities includes the amount of grants given in the year except where a grant has specific conditions attached which are conditional. If conditions have not been met, the grant is disclosed as a contingent liability. Expenditure on charitable activities also includes the stipend paid in respect of the Priest in charge of Hempsted Parish and associated support costs.

Support costs are those functions that assist in the work of the charity, but do not directly undertake charitable activities. These costs have been allocated to the main activity of the charity which is grant giving.

Interests in investment property

Investment property is stated at the trustees' best estimate of its market value at 30th September 2020.

Movements in the market value during the year are transferred to the endowment funds. Profits and losses on the sale of investment property are transferred separately to endowment funds.

Professional fees included for advice and representation concerning the maintenance and for preserving the value of the land and properties are charged to the capital endowment fund.

Depreciation

No depreciation is provided on investment property.

Fixed asset investments - equities

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 closing quoted market 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.

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term liquid investments.

Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

Capital endowment funds permanent

Capital endowment funds are the non-expendable permanent capital of the Charity, which cannot be used for income purposes. Increases and decreases in the fund represent changes in market value, and gains or losses on disposal of investments. Additionally, investment managers' fees for managing the investment portfolio, together with professional fees for preserving the value of the land and properties are charged to the capital endowment fund.

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020

1 ACCOUNTING POLICIES (continued)

Unrestricted income funds

Unrestricted income funds are funds which can be expended at the discretion of the Trustees in furtherance of the objects of the Charity.

2	NET PROPERTY INCOME	Unrestricted income funds 2020 £	Unrestricted income funds 2019 £
	Rents and wayleaves:		
	Rents received	69,410	69,490
	Sundry receipts, wayleave etc.	-	43
		<u>69,410</u>	<u>69,533</u>
	Less property rental management costs	<u>920</u>	<u>888</u>
		<u>68,490</u>	<u>68,645</u>
3	INCOME FROM LISTED INVESTMENTS	Unrestricted income funds 2020 £	Unrestricted income funds 2019 £
	Dividends and fixed interest received from investment portfolio	<u>306,783</u>	<u>338,354</u>
4	COSTS OF RAISING FUNDS	Capital endowment funds - permanent 2020 £	Capital endowment funds - permanent 2019 £
	Investment portfolio fees paid to Investec Wealth and Management for Portfolio Management	<u>40,471</u>	<u>42,213</u>
	Property maintenance fees paid to various companies in connection with preserving the value of the land - charged to the Capital Endowment Fund	<u>39,292</u>	<u>29,222</u>

5 RELIGIOUS AND CHARITABLE GRANTS GIVEN - GRANT FUNDING OF ACTIVITIES

The total number of institutional grants paid was 42 (2019: 31).

The total number of individual grants paid was 123 (2019: 82).

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

5 GRANT FUNDING OF ACTIVITIES (Continued)

	Unrestricted income funds	Unrestricted income funds
	2020 £	2019 £
Grants in aid to clergy, widows and others	33,656	23,643
Bishop of Tewkesbury Discretionary Fund	-	2,000
Cheltenham CAP Debt Centre	5,000	-
Clergy Welfare	-	(5,836)
Evenlode Vale	14,000	-
Faal Safeguarding	2,000	-
Fig Tree Project - Stonehouse	-	7,250
GDBF - Holy Land Pilgrimage	33,400	-
GDBF Clergy Conference	-	15,000
GDBF - Everyday Faith Event	7,756	-
Gloucester Diocese Intern Scheme	(4,834)	-
Gloucester Ministry Experience Scheme	-	-
Gloucester Diocese Wellbeing Counselling Service	20,000	20,000
Gloucester Diocese Wellbeing Pilot Project	-	20,000
Gloucester Diocese Anglican Peace Initiative	2,800	-
Gloucester St George	5,500	4,000
Gloucester Street Pastors	500	(1,500)
Hempsted PCC	-	75,000
Highnam and Leadon Vale	9,000	9,000
Holy Trinity Drybrook	-	6,750
Ignition Family Day	-	1,000
Innervation Trust	4,800	-
Listening Post	18,000	-
Marah Trust	9,000	-
Meon and Marston Mead	1,500	-
Northleach Black Cat Café	(22,500)	-
South Cerney PCC	200	-
St Catherine's Church	8,700	(7,000)
St George Whaddon	-	(2,800)
St James and All Saints Gloucester	-	10,000
St Michaels Cornerstone	-	22,500
St Peter and St Paul Northleach	-	30,000
Stroudwater Benefice	(3,000)	-
Teens in Crisis	-	22,500

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

5 GRANT FUNDING OF ACTIVITIES (Continued)

	Unrestricted income funds	Unrestricted income funds
	2020 £	2019 £
Tetbury Parish Church (St Mary's)	2,000	-
The Rock Cheltenham	15,000	-
Tidenham PCC	-	63,000
Viney Hill CAC	12,000	-
Wayfarers Monastery	12,000	-
Winchcombe Parish	-	(54,000)
Total grants given	186,478	260,507
Support costs (Note 7)	13,836	9,334
	<u>200,314</u>	<u>269,841</u>
	2020	2019
	£	£
Reconciliation of grants payable:		
Commitments at 1st October 2019	397,506	411,973
Grants charged in the SOFA in the year	186,478	260,507
Grants paid during the year	(291,805)	(274,974)
Commitments at 30th September 2020	<u>292,179</u>	<u>397,506</u>
Commitments at 30th September 2020		
Due < 1 year (note 13)	231,579	259,206
Due > 1 year (note 14)	60,600	138,300
	<u>292,179</u>	<u>397,506</u>
	2020	2019
	£	£
Grants can be further analysed between activities as follows:		
Grants in aid to clergy, widows and others	33,656	23,643
Youth work	69,922	8,750
Street pastors	500	(1,500)
Community work	2,200	62,500
Children and family work	40,200	110,700
Other	20,000	7,250
Clergy support	20,000	49,164
	<u>186,478</u>	<u>260,507</u>

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

		Unrestricted income funds 2020 £	Unrestricted income funds 2019 £
6	STIPEND		
	Stipend in respect of Priest in charge of Hempsted	<u>42,978</u>	<u>42,767</u>
7	ALLOCATED SUPPORT COSTS		
	Clerk's fees and disbursements	<u>13,836</u>	<u>9,334</u>
These support costs relate directly to the cost of administering the grants reviewed and given by the Charity			
8	OTHER COSTS		
	<u>Support costs</u>		
	Professional fees	2,580	3,992
	Clerk's fees and disbursements	9,044	6,101
	Sundries	906	2,713
	Repairs to properties	<u>6,888</u>	<u>3,101</u>
		19,418	15,907
	<u>Governance costs</u>		
	Audit fees	4,205	3,955
	Governance review	2,700	-
	Clerk's fees and disbursements	<u>13,152</u>	<u>9,069</u>
		20,057	13,024
	Total other costs	<u>39,475</u>	<u>28,931</u>

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

9	INVESTMENT PROPERTY	2020	2019
	All in the United Kingdom:	£	£
	Freehold Property:		
	Bristol Road	1,600,000	1,600,000
	Land East of Hempsted Lane	3,370,000	1,370,000
	Land West of Hempsted Lane and paddocks	128,500	128,500
	206 Bristol Road	150,000	150,000
	Church Hall and allotments at St. Swithuns Road	6,500	6,500
		<u>5,255,000</u>	<u>3,255,000</u>

All investment property relates to the Capital Endowment Fund in 2020 and 2019.

The land and property owned by the Charity at Bristol Road was professionally valued by Bruton Knowles, Chartered Surveyors, on a market value basis, as at 30th September 2018. The land West of Hempsted Lane and paddocks, and Church Hall and allotments at St Swithuns Road were also professionally valued by Bruton Knowles, Chartered Surveyors, as at 30th September 2018 on the same market value basis. The trustees have updated the valuations to 30th September 2020. The land to the East of Hempsted Lane is in the process of being sold and a conditional exchange of contracts has taken place. The Trustees have updated the value of this land based on estimated sale proceeds after allowing for the expected costs and liabilities arising on completion of the disposal.

Bruton Knowles are external to the Charity.

206 Bristol Road was professionally valued by Naylor Powell during March 2009. Following consultation with Naylor Powell during the year the trustees consider the market value of the property to be £150,000.

Naylor Powell are external to the charity.

10	LISTED SECURITIES	Capital endowment fund 2020		Capital endowment fund 2019	
		Market Value	Cost	Market Value	Cost
	(Investec Wealth & Investment Portfolio and COIF accumulation units)	£	£	£	£
	Fixed interest	1,004,256	956,772	772,222	749,924
	Securities	7,387,238	5,556,887	8,626,432	6,232,480
	Cash and deposits	<u>11,402</u>	<u>11,402</u>	<u>21,506</u>	<u>21,506</u>
	TOTAL SECURITIES	<u>8,402,896</u>	<u>6,525,061</u>	<u>9,420,160</u>	<u>7,003,910</u>

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

10 LISTED SECURITIES (continued)

Total securities are analysed:	2020	2019
	£	£
Securities in the UK	6,605,581	8,350,001
Securities outside the UK	<u>1,797,315</u>	<u>1,070,159</u>
	<u>8,402,896</u>	<u>9,420,160</u>

In 2020 individual securities with a market value representing more than 5% of the total market value were:

Royal Dutch Shell 'B' Ord EUR0.07	-	546,231
Polar Capital Fund Global Tech GBP	521,048	-
Astrazeneca Ord USD0.25	422,825	-
Charities Property Fund Income	<u>426,335</u>	<u>-</u>

Investments are held primarily to provide an investment return.

	2020	2019
	£	£
Movements in market value:		
Market value at 1 October 2019	9,420,160	9,262,431
Net profit on disposal and revaluation	(950,944)	199,166
Other cash movements	<u>(66,320)</u>	<u>(41,437)</u>
Market value at 30 September 2020	<u>8,402,896</u>	<u>9,420,160</u>

11 DEBTORS

	2020	2019
	£	£
Rent receivable	15,726	15,726
Due to the income fund from the capital fund	140,195	117,646
Prepayments and accrued income	<u>34,976</u>	<u>61,954</u>
	<u>190,897</u>	<u>195,326</u>

All debtors relate to unrestricted income funds in 2020 and 2019.

12 BANK

Cash at bank can be analysed as follows: unrestricted funds £451,956 (2019: £451,234); Capital endowment funds £10,462 (2019: £2,204).

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

13	CREDITORS: amounts falling due in less than one year	2020	2019
		£	£
	Clerk's fees	24,032	18,307
	Audit fees	4,200	3,955
	Other accruals	44,848	42,996
	Due to the income fund from the capital fund	140,195	117,646
	Grants payable	231,579	259,206
		<u>444,854</u>	<u>442,110</u>
	Breakdown of creditors in 2020	Unrestricted income funds	Capital endowment fund
		£	£
	Clerk's fees	24,032	-
	Audit fees	4,200	-
	Other accruals	34,882	9,966
	Due to the income fund from the capital fund	-	140,195
	Grants payable	231,579	-
		<u>294,693</u>	<u>150,161</u>
		<u>444,854</u>	<u>444,854</u>
	Breakdown of creditors in 2019	Unrestricted income funds	Capital endowment fund
		£	£
	Clerk's fees	18,307	-
	Audit fees	3,955	-
	Other accruals	32,182	10,814
	Due to the income fund from the capital fund	-	117,646
	Grants payable	259,206	-
		<u>313,650</u>	<u>128,460</u>
		<u>442,110</u>	<u>442,110</u>
14	CREDITORS: amounts falling due in more than one year	2020	2019
		£	£
	Grants payable	60,600	138,300
	All creditors due in more than one year relate to unrestricted income funds.		

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

15	CAPITAL ENDOWMENT FUND	2020	2019
		£	£
	At 1st October 2019	12,548,904	12,410,585
	Income:		
	Unrealised gains on investment properties	2,000,000	10,000
	Realised and unrealised (loss)/gains on securities	(950,944)	199,754
	Expenditure:		
	Investment manager's fees	(40,471)	(42,213)
	Property maintenance fees	(39,292)	(29,222)
	At 30th September 2020	<u>13,518,197</u>	<u>12,548,904</u>
16	UNRESTRICTED INCOME FUNDS	2020	2019
		£	£
	At 1st October 2019	194,610	128,385
	Incoming resources	375,717	407,764
	Resources expended	<u>(282,767)</u>	<u>(341,539)</u>
	At 30th September 2020	<u>287,560</u>	<u>194,610</u>
17	CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES	2020	2019
		£	£
	Carrying amount of financial assets		
	Financial assets that are debt instruments measured at amortised cost	<u>190,897</u>	<u>195,326</u>
	Financial assets that are equity instruments measured at fair value through the statement of financial activities	<u>13,657,896</u>	<u>12,675,160</u>
	Carrying amount of financial liabilities		
	Financial liabilities measured at amortised cost	<u>505,454</u>	<u>580,410</u>
18	TRUSTEES' REMUNERATION		
	The charity paid £1,258 for Trustee Indemnity Insurance in the year (2019: £954). No other remuneration was paid and no expenses were reimbursed to the Trustees during the year.		
19	CONTINGENT LIABILITIES		
	There were no contingent liabilities as at 30 September 2020 (2019: None)		

SYLVANUS LYSONS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH SEPTEMBER 2020

20 RELATED PARTY TRANSACTIONS

Trustee, Archdeacon P. Andrew is also a Trustee of The Rock Community Project which was awarded a grant of £15,000 during the year.

The husband of Rev Canon H. Sammon is the Chair of The Listening Post. The Listening Post was awarded a grant of £6,000 per annum for three years.

21 OPERATING LEASES

The operating leases represent leases of the Charity's investment property to third parties. As at 30th September 2020, there are 34 years remaining on the leases.

At the reporting end date, the Charity had contracted with tenants for the following minimum lease payments:

	2020 £	2019 £
Expiring:		
Within one year	62,200	62,200
In more than one year and less than five years	248,800	248,800
In more than five years	<u>1,849,325</u>	<u>1,911,525</u>
	<u>2,160,325</u>	<u>2,222,525</u>