

**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**GENERAL INFORMATION**

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**Name**

The Fund for the Endowment of the Living of St. Stephen's, South Kensington, London is more generally known by its working name of St. Stephen's Church Endowment Fund. On 22 May 1997 the Charity Commissioners sealed a Scheme whereby the income of the fund subject to the trusts of the 1937 Deed was thenceforth to be applied for the purposes of the 1960 Deed (as varied or affected by the Scheme) and other matters were provided for.

**The Trustees**

Mr J M Randolph (Chairman)  
Mr P Rodier  
Mr D H Colville  
Mrs D Simpson

**Charity Number**

241052

**Investment Managers**

Cazenove Capital Management  
1 London Wall Place,  
London  
EC2Y 5AU

**Solicitors**

Charles Russell Speechlys LLP  
5 Fleet Place  
London  
EC4M 7RD

**Address**

Saint Stephen's Church  
Southwell Gardens  
London  
SW7 4RL

**Independent Examiner**

Tina Allison FCCA  
Chartered Certified Accountant  
Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

**Bankers**

Lloyds Bank plc  
70-71 Cheapside  
London  
EC2V 6EN



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 DECEMBER 2020**

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**OBJECTS**

The Trust is registered as a charity under number 241052. It was established by a Trust Deed dated 2 April 1937 to promote, aid and further the objects of the Church of England in the Parish of St. Stephen, South Kensington in the Diocese of London by the endowment of the living of the incumbent for the time being of said parish and extended by a Declaration of Trust dated 21 March 1960.

**ORGANISATIONAL STRUCTURE**

St. Stephen's Church Endowment Fund (the Trust) is managed by Trustees who have authority for overseeing the activities of the Trust. There are no sub-committees or staff considered to be part of the key management structure. The original Trustees were appointed at the inception of the Trust, subsequent Trustees being elected by current Trustees.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR**

The Trustees have managed the Trust's investments to assist in the provision of income to the clergy and parish staff of the parish and to pay incidental expenses.

**ACTIVITIES AND ACHIEVEMENTS**

**Objectives and achievements**

The Trust plays an important role in the work of St Stephen's Church for the public benefit.

The Trust supports the work of a Church of England parish church, with religious services available to all who wish to attend. The church adopts a policy of keeping church doors open as far as possible, and the clergy or lay helpers maintain a presence during the day for visitors wishing to speak to them.

There is a strong sense in which the church provides comfort and security to the community. In the case of St Stephen's a significant proportion of the community is transient and therefore needful of such benefits.

The Trust plans to continue the above activities for the foreseeable future.

The Trustees have had due regard to the Charity Commission's guidance on public benefit when considering the Trust's activities and objectives.

**Financial review**

The Trust's income arises mainly from investment income and is applied by way of grants. Investment income totalled £34,517 (2019: £36,303) covering grants of £34,500 (2019: £34,000) in the year. During the year there were net gains on investments of £30,604 (2019: gains of £75,210).

The Trust's funds increased by £14,525 in the year to 31 December 2020, resulting in funds carried forward of £893,300 (2019: £878,775).



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 DECEMBER 2020**

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**RESERVES POLICY**

The Trustees have considered the reserves held by the Trust as of 31 December 2020. It is the Trustees' policy to achieve in the medium to long term unrestricted reserves at least equal to 12 months' grant expenditure. Grant expenditure in the year to 31 December 2020 was £34,500, and at the balance sheet date unrestricted reserves stood at £31,531.

The Trustees expect to maintain grants to St Stephen's Church during 2021 at a level at least the same as was the case in 2020. The Trustees expect investment income received during 2021 to be sufficient to enable the maintained grants to be paid without having recourse to reserves.

**INVESTMENT POWERS, POLICY AND PERFORMANCE**

The Trustees' investment powers are governed by the Trust Deed and the Trustee Act 2000 which permit the Trustees to invest in such stock, shares and investments as they see fit. The Trustees' policy is to seek returns over the long term to:

- provide for real increase in annual income; and
- preserve the capital base of the Trust in real terms.

This policy involves investing some of the Trust's assets for long term growth rather than to maximise short term income. The Trust's investments are held through the Cazenove Charity Multi-Asset Fund, which is managed by Schroder Unit Trusts Limited and which operates in conformity with the Trust's policy.

Stock markets were volatile in 2020 as the Covid-19 pandemic developed but the overall performance was satisfactory, as the sharp falls in asset prices in the earlier part of the year were more than made good during the remaining months. As indicated in Note 5 to the accounts, the units of the Cazenove Charity Multi-Asset Fund were valued at 57.62p each at 31 December 2020; this compares with 56.04p at 31 December 2019.

**RISK ASSESSMENT**

The Trustees have examined the principal areas of the Trust's activity and considered the major risks which may arise. In the opinion of the Trustees the Trust has established a process and reviewed systems which, under normal conditions, should allow the major risks identified by them to be managed to an acceptable level.

The Trustees continue to monitor the level of income expected to be received from the Trust's investments given the possibility of renewed market uncertainty against the background of the continuing Covid-19 pandemic. As indicated above, the Trustees expect income in 2021 to be sufficient to cover grants payable. The position will be kept under review so far as concerns 2022 and future periods.

**GRANT MAKING POLICY**

This year the Trust awarded grants of £34,500 (2019: £34,000) from unrestricted funds in accordance with its long term commitment to assist with the funding of salaries, running costs and other recurring expenses of the clergy and parish staff of the parish of St Stephen, South Kensington.



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

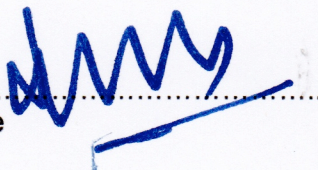
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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:

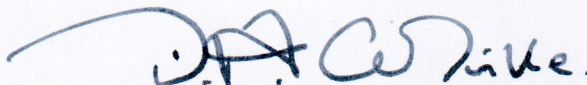
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on ~~18 September~~ 2021 and signed on their behalf by:

Trustee



Trustee





## **Independent examiner's report to the trustees of St Stephen's Church Endowment Fund**

I report to the trustees on my examination of the accounts of the St Stephen's Church Endowment Fund (the Trust) for the year ended 31 December 2020, which are set out on pages 6 to 14.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. Independent examiner's statement

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached



Tina Allison  
FCCA  
Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

20 September 2021



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2020**

Year ended 31 December 2020				Prior Period Total Funds 2019
	Endowment Funds	Unrestricted Funds	Total Funds	
Notes	£	£	£	£
<b>INCOME &amp; ENDOWMENTS</b>				
Voluntary Income	2	-	500	500
Income from investments	2	-	34,517	34,517
Other income	2	-	17	17
<b>Total income and endowments</b>		-	35,034	35,034
<b>EXPENDITURE</b>				
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment manager's fees	3	9,297	-	9,297
Finance and other costs	3	-	-	-
<b>Charitable activities</b>				
Provision of support to parish of St Stephen's	3	7,316	34,500	41,816
<b>Total expenditure</b>		16,613	34,500	51,113
<b>Net operating deficit for the year</b>		(16,613)	534	(16,079)
<b>Net gain on investment</b>	5	30,604	-	30,604
<b>Net Movement in funds</b>		13,991	534	14,525
<b>Reconciliation of funds</b>				
Total funds brought forward at 1 January 2020		847,778	30,997	878,775
<b>Total funds carried forward at 31 December 2020</b>		861,769	31,531	893,300

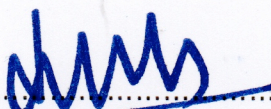
There are no gains and losses other than as recognised above. All activities are continuing.  
**The notes on pages 9 to 14 form part of these financial statements**

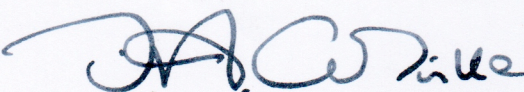


**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Notes	2020	2019
		£	£
<b>FIXED ASSETS</b>			
Investments	5	863,724	871,422
<b>CURRENT ASSETS</b>			
<b>Cash at Bank and in Hand</b>			
Current account		2,380	1,338
Cash held by investment managers		<u>32,537</u>	<u>11,698</u>
		34,917	13,036
<b>CREDITORS: Amounts falling due within one year</b>			
Accruals		<u>(5,341)</u>	<u>(5,683)</u>
<b>NET CURRENT ASSETS</b>		<u>29,576</u>	<u>7,353</u>
<b>NET ASSETS</b>	7	<u>893,300</u>	<u>878,775</u>
<b>THE FUNDS OF THE CHARITY</b>			
Endowment funds	6	861,769	847,778
Unrestricted funds		<u>31,531</u>	<u>30,997</u>
<b>Total Charity Funds</b>		<u>893,300</u>	<u>878,775</u>

Approved by the Trustees and authorised for issue on 18 September 2021  
and signed on their behalf by

  
.....  
Trustee

  
.....  
Trustee

The notes on pages 9 to 14 form part of these financial statements



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>Statement of cash flows</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	A. <u>(41,641)</u>	<u>(42,795)</u>
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	34,517	36,303
Management fees paid from endowment funds	(9,297)	(10,391)
Purchase of investments	(20,110)	-
Proceeds from sale of investments	58,412	14,867
Net cash provided by investing activities	<u>63,522</u>	<u>40,779</u>
Change in cash and cash equivalents in the reporting period	21,881	(2,016)
Cash and cash equivalents at the beginning of the reporting period	13,036	15,052
Cash and cash equivalents at the end of the reporting period	34,917	13,036
<b>A. Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net income/(expenditure) for the reporting period</b>	<u>14,525</u>	<u>57,847</u>
Adjustments for:		
(Gains) on investments	(30,604)	(75,210)
Dividends and interest from investments	(34,517)	(36,303)
Management fees paid from endowment funds	9,297	10,391
Decrease in debtors	-	-
(Decrease)/ increase in creditors	(342)	480
<b>Net cash provided by (used in) operating activities</b>	<u>(41,641)</u>	<u>(42,795)</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	2,380	1,338
Cash held by investment manager	32,537	11,698
<b>Total cash and cash equivalents</b>	<u>34,917</u>	<u>13,036</u>



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The Trust is a registered charity in England and Wales and as such is a Public Benefit entity. Governed by its Trust Deed dated 2 April 1937 and extended by a Declaration of Trust dated 21 March 1960. The Trust's Charity Commission registration number is 241052 and its registered address is St. Stephens Church, Southwell Gardens, London, SW7 4RL

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the 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 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. The departure has arisen because charities are now required to prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees remain of the opinion that the charity has adequate resources to continue its activities for the foreseeable future, although the Trustees will continue to keep the level of grants paid under review in the light of future investment income received. The Trustees accordingly continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 4.

**b) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, which are described in this note, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods.



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS AT 31 DECEMBER 2020**

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In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the presentation of the financial statements are as follows:

**c) Investment Income**

Investment income is accounted for on an accruals basis as earned and is all derived from listed investments and bank interest receivable.

**d) Charitable Activities**

Charitable activities comprise all costs which are directly attributable to the objects of the charity. Grants and other expenses are recognised when a constructive or legal obligation to the recipient has been created by the charity.

**e) Governance Costs**

Governance costs comprise the costs of statutory compliance, including legal advice, independent examination fees and the costs of preparing the statutory accounts.

**f) Portfolio Management Fees**

The cost of managing the Trust's investment portfolio is met from Endowment Funds.

**g) Fixed Asset Investments**

Fixed asset investments are stated at mid-market value at the balance sheet date.

The Statement of Financial Activities includes the aggregate of realised and unrealised gains and losses during the year.

**h) Financial instruments**

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities comprise accruals, trade and other creditors.

Investments, including bonds and cash held as part of an investment portfolio, are held at fair value at the balance sheet date, with income, gains and losses recognised in the Statement of Financial Activities.



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS AT 31 DECEMBER 2020**

**i) Endowment Fund**

The endowment fund can be used for any activities of the charity that fall within its charitable objects. Income arising from the assets held within the endowment fund is therefore shown as unrestricted.

**j) Taxation**

No corporation tax is payable by the Trust as it is able to make use of the tax exemptions on income and capital gains available to charities.

**2. INCOME**

	2020 £	2019 £
Donations	500	-
Equities	34,517	36,303
Cash	17	-
	<u>35,034</u>	<u>36,303</u>

**3. ANALYSIS OF TOTAL EXPENDITURE**

	Other £	Governance Costs £	Grants £	2020 Total £	2019 Total £
<b>Expenditure on raising funds:</b>					
Finance and other costs	-	-	-	-	345
Investment management fees	9,297	-	-	9,297	10,391
<b>Expenditure on charitable activities:</b>					
Provision of support to parish of St Stephen's	-	7,316	34,500	41,816	42,930
<b>Total expenditure</b>	<u>9,297</u>	<u>7,316</u>	<u>34,500</u>	<u>51,113</u>	<u>53,666</u>



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS AT 31 DECEMBER 2020**

**4. GOVERNANCE COSTS**

	2020 £	2019 £
Professional charges	2,616	4,380
Independent examiner's fees	3,133	3,033
Accountancy services	1,567	1,517
	<u>7,316</u>	<u>8,930</u>

No trustees received remuneration or re-imbursement of expenses for their services in the current or the preceding year.

**5. FIXED ASSET INVESTMENTS**

	2020 £	2019 £
Market value at start of year	871,422	811,079
Additions	20,110	-
Disposals	(58,842)	(14,538)
Unrealised gains during the year	31,034	74,881
Market value at end of year	<u>863,724</u>	<u>871,422</u>
Cost at end of year	<u>823,052</u>	<u>853,436</u>

At the 31 December 2020 the trust held 1,499,000 units in the Cazenove Charity Multi-Asset Fund valued at 57.62 per unit. The most recent valuation of the Cazenove Charity Multi-Asset Fund can be found at [www.cazenovecapital.com/uk/charities](http://www.cazenovecapital.com/uk/charities)

**6. ENDOWMENT FUNDS**

	2020 £	2019 £
Capital account		
Balance at start of year	847,778	791,889
Movement during year	13,991	55,889
Balance at end of year	<u>861,769</u>	<u>847,778</u>

The endowment funds consist of the principal endowment fund established in 1937 and the additional endowment fund established in 1960. The Trustees believe these are permanent endowments, subject to a limited power to resort to capital.



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS AT 31 DECEMBER 2020**

**7. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>2020</b>	<b>Investments</b>	<b>Net Current Assets</b>	<b>Total</b>
	£	£	£
Endowment fund	863,724	(1,955)	<b>861,769</b>
Unrestricted fund	-	31,531	<b>31,531</b>
	<b>863,724</b>	<b>29,576</b>	<b>893,300</b>
 <b>2019</b>	 <b>Investments</b>	 <b>Net Current Assets</b>	 <b>Total</b>
	£	£	£
Endowment fund	871,422	(23,644)	<b>847,778</b>
Unrestricted fund	-	30,997	<b>30,997</b>
	<b>871,422</b>	<b>7,353</b>	<b>878,775</b>

**8. RELATED PARTIES**

There are no related party transactions or balances which require disclosure within the financial statements during 2020. (2019: Nil).



**ST STEPHEN'S CHURCH ENDOWMENT FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS AT 31 DECEMBER 2020**

**10. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

	Year ended 31 December 2019		
	Endowment Funds £	Unrestricted Funds £	Total Funds £
<b>INCOME &amp; ENDOWMENTS</b>			
Income from investments	-	36,306	36,306
Other income	-	-	-
<b>Total Incoming Resources</b>	<b>-</b>	<b>36,306</b>	<b>36,306</b>
<b>EXPENDITURE</b>			
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Investment manager's fees	10,391	-	10,391
Finance and other costs	-	345	345
<b>Charitable activities</b>			
Provision of support to parish of St Stephen's	8,930	34,000	42,930
<b>Total Expenditure</b>	<b>19,321</b>	<b>34,345</b>	<b>53,666</b>
<b>Net operating deficit for the year</b>	<b>(19,321)</b>	<b>1,958</b>	<b>(17,363)</b>
<b>Net gain on investment</b>	<b>75,210</b>	<b>-</b>	<b>75,210</b>
<b>Net Movement in funds</b>	<b>55,889</b>	<b>1,958</b>	<b>57,847</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 January 2019	791,889	29,039	820,928
<b>Total funds carried forward at 31 December 2019</b>	<b>847,778</b>	<b>30,997</b>	<b>878,775</b>