

SALISBURY DIOCESAN FORCES WELFARE FUND

REPORT OF THE TRUSTEES

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS

Page

- | | |
|---------|---|
| 1. - 2. | Trustees' Report |
| 3. | Statement of Financial Activities and Balance Sheet |
| 4. - 6. | Notes to the Accounts |
| 7. | Independent Examiner's Report |

SALISBURY DIOCESAN FORCES WELFARE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

LEGAL STATUS

The Fund is a registered charity, number 250335. Its governing instrument is a Charity Commission Scheme dated 9th July 1985 as amended by a Scheme dated 10 December 1997. The Charity's official title is the Church of England Board for the Welfare of Her Majesty's Forces within the Diocese of Salisbury. However the trustees use "Salisbury Diocesan Forces Welfare Fund" as the Charity's working title as allowed under the Scheme.

TRUSTEES

The following served as the trustees during the year and to date:

Ex Officio trustees

Rev P Garvie	to May 2021	Sqn Ldr B Dunn	
Major A Bunce		Rev C Shimmen	from Apr 2021
Rev D Conning	to May 2021		

Nominated trustees

Commodore R Jackman	Chairman	Major A Bunce	
Rev S Robbins	Vice-Chairman	Lt Col N Cusack	
Lt Col G C Taylor		Sqn Ldr M Oldham	apptd Apr 2020
Lt Col M Nash	retd May 2021	Sqn Ldr J Sharp	retd Apr 2020
Lt Col R Miller			
Lt Col M Butler			

Co-opted trustees

Mrs H Miller
Mrs J Guyer

Five trustees are ex-officio, holding appointments within H M Forces; three trustees are co-opted, appointed by the trustees and having special knowledge of Salisbury Diocese; the chairman is appointed by the Bishop of Salisbury. The remaining trustees are nominated by the Salisbury Diocesan Synod and are appointed for a term of four years.

The Salisbury Diocesan Board of Finance is custodian trustee of the Charity.

CLERK TO THE TRUSTEES

Lt Col M Butler, Seniors Farmhouse, Semley, Shaftesbury SP7 9AX

ADVISERS

Independent Examiner: Mrs N A Halls FCA, Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury SP1 2LZ
Investment Managers: CCLA Investment Management Ltd, Senator House, 85 Queen Victoria St, London EC4V 4ET

OBJECTS AND ACTIVITIES

The Charity's purpose is to promote the spiritual and moral welfare of and provide such other charitable benefits as the trustees from time to time decide for Her Majesty's Forces within the Diocese of Salisbury and their dependants. The managing trustees normally meet twice a year to consider the allocation of grants as follows: (i) to Service Chaplains' Emergency Funds; (ii) to Service units in response to applications made through Service headquarters and (iii) such other charitable grants as the trustees may decide.

The Clerk to the trustees receives grant applications as well as dealing with all correspondence. The Fund employs no staff but relies on the staff of the Salisbury diocesan office who maintain the accounting records and prepare the annual financial statements.

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

ACHIEVEMENTS AND PERFORMANCE

During the year the Fund awarded grants totalling £52,754 spread between the Services. These grants are made to improve the facilities at MOD establishments and their associated family welfare facilities within the diocese and so confer a benefit on the personnel and their dependants serving in Her Majesty's Armed Forces, a section of the public, at those establishments.

SALISBURY DIOCESAN FORCES WELFARE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

(continued)

FINANCIAL REVIEW

Investment income for the year was £40,892 (2019 - £42,089), whilst grants paid (including allocated support costs) were £54,757 (2019 - £58,065). There was an operating deficit for the year of £13,865 (2019 – deficit of £15,976). The Fund's investments have seen an increase in the capital value performance, with a net gain of £56,878 (2019 net gain £145,529). There was an overall increase in funds for the year of £43,014 (2019: £129,553) making total reserves at the year end £1,297,202. (2019:£1,254,188).

RESERVES POLICY

The Fund's policy is to preserve the investments and to allocate funds as grants to deserving bids solely from income. Within a financial year the allocation is capped at the level of the anticipated income. Where there is a mismatch resulting from the autumn meeting the payments of grants may be deferred into the following year. The Reserves Policy is under review and a level equivalent to 50% to 75% of the rolling 5 year average annual income is likely to be formalised.

INVESTMENT POLICY

The Fund's investment policy is set out in Note 4 to the accounts. The investment policy and portfolio is also under review to ensure that, as far as possible and within the constraints of ESG Policy, the investments deliver an annual increase in income that as a minimum offsets the effects of inflation.

RISKS REVIEW

Risk is considered annually. At present the trustees consider that the Fund's only risk is a total collapse in stock markets which they have mitigated by placing a proportion of the Fund's investments in a property fund.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Charity trustees to prepare financial statements for each 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 the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Charity's schemes. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Signed on behalf of the Trustees



Cdr R W Jackman (Chairman)

Approved by the Trustees on

27-10-21

2021

SALISBURY DIOCESAN FORCES WELFARE FUND
(Registered Charity No. 250355)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Total Unrestricted Funds 2020	Total Unrestricted Funds 2019
INCOME FROM:			
Investments			
Dividends		40,725	41,655
Interest on cash deposits		167	434
TOTAL INCOME		<u>40,892</u>	<u>42,089</u>
EXPENDITURE ON:			
Charitable activities			
Grants payable	2	54,757	58,065
TOTAL EXPENDITURE		<u>54,757</u>	<u>58,065</u>
NET INCOME/EXPENDITURE BEFORE NET GAINS/(LOSSES) ON INVESTMENTS		(13,865)	(15,976)
Net gains/(losses) on investments	4	56,878	145,529
NET MOVEMENT IN FUNDS		<u>43,014</u>	<u>129,553</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		1,254,188	1,124,635
Total funds carried forward		<u>£ 1,297,202</u>	<u>£ 1,254,188</u>

BALANCE SHEET AT 31 DECEMBER 2020

	Note	Total Unrestricted Funds 2020	Total Unrestricted Funds 2019
FIXED ASSETS:			
Listed Investments	4	<u>1,273,956</u>	<u>1,217,078</u>
Cash at bank and in hand			
CBF Deposit Fund		18,964	34,071
Cash held by Salisbury DBF	5	<u>7,350</u>	<u>8,214</u>
		<u>26,314</u>	<u>42,285</u>
LIABILITIES:			
Creditors: amounts falling due within one year	6	(3,068)	(5,175)
NET CURRENT ASSETS OR LIABILITIES		<u>23,246</u>	<u>37,110</u>
TOTAL NET ASSETS OR LIABILITIES		<u>£ 1,297,202</u>	<u>£ 1,254,188</u>
THE FUNDS OF THE CHARITY:	1c		
Unrestricted funds		<u>£ 1,297,202</u>	<u>£ 1,254,188</u>

These financial statements were approved by the Trustees on 17-10-21 and
signed on their behalf by:


Cdr R. W. Jackman (Chairman)

SALISBURY DIOCESAN FORCES WELFARE FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies

a) Accounting convention

The accounts (financial statements) are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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) effective from 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. In this assessment the trustees have considered the impact of COVID-19. There are no significant areas of judgement or key assumptions that affect items in the accounts. With respect to the next reporting period, the year ended 31 December 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets.

b) Cash flow

The accounts do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement.

c) Fund accounting

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

It is the charity's policy to treat its investments as if they were an endowment, as the income derived from the investments is the only source of income.

d) Income recognition

All incoming resources, including legacies, are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. Income from investments is included in the year in which it is receivable.

e) Expenditure recognition

Liabilities are recognised as resources expended as soon as 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. All expenditure is accounted for on an accruals basis.

Grants payable are charged when the offer is conveyed to the recipient, except in those cases where the offer is conditional, in which case the grant would be recognised as expenditure when the conditions attaching are fulfilled.

f) Charitable activities

The expenditure on charitable activities includes grants made and support costs.

g) Support costs

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. The total support costs are allocated equally between the grant recipients for the year.

i) Investments

Quoted and other investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

j) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

k) Cash at bank or in hand

Cash at bank and in hand includes cash on deposit available on demand and cash held by Salisbury Diocesan Board of Finance.

SALISBURY DIOCESAN FORCES WELFARE FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

l) Creditors

Creditors 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 reliably.

m) Financial Instruments

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the Statement of financial activities.

2. Breakdown of costs of charitable activity

	<u>Grants paid/</u>	<u>Support costs</u>	<u>2020</u>	<u>2019</u>
Grants to organisations				
Army	32,076	501	32,577	50,383
Navy and Royal Marines	6,337	501	6,837	5,032
RAF	12,341	501	12,842	-
Senior Chaplains' Fund and Chaplain RM	2,000	501	2,501	2,649
	<u>£ 52,754</u>	<u>£ 2,003</u>	<u>£ 54,757</u>	<u>£ 58,065</u>

Support costs are allocated equally between the grant recipients for the year.

	<u>Governance costs</u>	<u>Other support costs</u>	<u>Total support costs</u>	<u>Total support costs</u>
			<u>2020</u>	<u>2019</u>
3. Support costs comprise:				
Clerk's honorarium	-	790	790	853
Diocese's management fee	-	491	491	505
Independent examiner's fees	722	-	722	590
	<u>£ 722</u>	<u>£ 1,281</u>	<u>£ 2,003</u>	<u>£ 1,948</u>

4. Fixed asset investments - Listed investments - Unrestricted funds

	<u>2020</u>	<u>2019</u>
Market value at 1 January	1,217,078	1,071,549
Net investment gain / (loss) on revaluation	56,878	145,529
Market value at 31 December	<u>£ 1,273,956</u>	<u>£ 1,217,078</u>
Original cost at 31 December	<u>£ 311,683</u>	<u>£ 311,683</u>
Unrealised gains at 31 December	<u>£ 962,273</u>	<u>£ 905,395</u>

The Charity's policy is to hold all the Charity's investments in the CBF Church of England common investment funds with the aim of long term capital and income growth. At 31 December 2020, the value of the investments was represented by 80% in the CBF Investment Fund, 4% in the CBF Fixed Interest Fund and 16% in the CBF Property Fund. The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

5. Cash held by Salisbury Diocesan Board of Finance

The Charity does not hold a bank account in its own name. Banking facilities are operated through a designated Trusts Account held in the name of Salisbury Diocesan Board of Finance.

6. Creditors: amounts falling due within one year

	<u>2020</u>	<u>2019</u>
Accruals for grants payable	1,133	3,948
Accruals and deferred income	1,935	1,227
	<u>£ 3,068</u>	<u>£ 5,175</u>

SALISBURY DIOCESAN FORCES WELFARE FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Movement in funding commitments for grants during the year	<u>2020</u>	<u>2019</u>
Grant commitments recognised as at 1 January	3,948	10,000
New grant commitments charged to SOFA (see Note 2)	52,754	56,117
Grants paid during the year	<u>(55,569)</u>	<u>(62,169)</u>
Grant commitments recognised as at 31 December (see Note 6)	<u><u>£1,133</u></u>	<u><u>£3,948</u></u>

8. Related party transactions, trustees' expenses and remuneration and key management personnel

The charity considers its key management personnel comprise the trustees and the Clerk. No trustees received any remuneration during the year (2019- £nil). No trustee received reimbursement for expenses during the year (2019 - £nil). The Clerk received an honorarium of £790 (2019 - £853). The charity had no other related party transactions during the year (2019 - nil)

9. Financial instruments	Note	<u>2020</u>	<u>2019</u>
Financial assets measured at fair value through profit and loss:			
Investments held at fair value	4	<u>1,273,956</u>	<u>1,217,078</u>
		<u><u>£ 1,273,956</u></u>	<u><u>£ 1,217,078</u></u>
Income, expense, gains or losses, including changes in fair value, recognised on:			
Gains/(Losses) on Financial assets measured at fair value	4	56,878	145,529
Interest on cash deposits		167	434
Income from listed investments		<u>40,725</u>	<u>41,655</u>
		<u><u>£ 97,771</u></u>	<u><u>£ 187,618</u></u>

SALISBURY DIOCESAN FORCES WELFARE FUND

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

I report to the trustees on my examination of the accounts of the Salisbury Diocesan Forces Welfare Fund (the Trust) for the year ended 31 December 2020, which are set out on pages 3 to 6.

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

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 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.

Nicola Halls

Mrs N A Halls FCA
Fletcher & Partners
Crown Chambers
Bridge Street
Salisbury

Date: *27th October 2021*