

Charity Number 289333

**The Society of Friends of St Michael's Church
Up Marden**

**Trustees' Annual Report and Financial
Statements**

**For the year ended
31st December 2020**

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Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees

Ursula Westmacott Chair
Valerie Seddon
Sally Abelwhite

Hon. Treasurer

Tom Maier

Hon. Secretary

Andrew Stamp

Principal Address for Correspondence (Hon. Treasurer)

Hucksholt Farmhouse
Compton
West Sussex
PO18 9NS

Independent Examiner

Caladine
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Bankers

Natwest
Chichester Branch
5 East Street
Chichester
West Sussex
PO19 1HH

TRUSTEES' REPORT

For year ended 31st December 2020

The Trustees present their annual report together with unaudited financial statements for the year ended 31st December 2020.

The Trustees confirm that the annual report and financial statements aim to comply with the governing document, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), the Companies Act 2006 and relevant law and United Kingdom Accounting Standards.

The Society of Friends of St Michael's Church, Up Marden is registered with the Charity Commissioners (No.289333). The charity is governed by its registered constitution.

Objectives and Activities

The Charity's objectives are twofold:

- (i) the acquisition, construction, extension, improvement, development, maintenance, repair, fitting out and furnishing of buildings and property to be used for them charitable purposes of St Michael's Church in the ecclesiastical parish of The Octagon.
- (ii) Additionally, to promote religious, cultural, historic, educational and charitable works and events to encourage people's interest in and knowledge of St Michael's church and its overall purpose.

Strategy

It is the strategy of the Society to make payments to or for such charitable purposes or objects in its governing document as the Friends (which include the Trustees) may from time to time in its absolute discretion think fit. The primary role of the Society is to maintain the upkeep of the church as a public benefit. In keeping with the Church of England's strategy of carrying out a quinquennial report, the Society's main aim is to support the Octagon parish by providing grants to enable any ensuing work from the report to be executed.

Additionally, the Society may fund additional projects to broaden the interest and knowledge of the church.

From time to time, the Society may hold events and fund-raising activities to promote the work of the charity.

Activities for achieving the strategy

The charity makes grants to charitable organisations or carry out activities themselves to fulfil its objectives. In considering the activities and grants made during the year, the Trustees have paid due regard to the published Charity Commission guidance on the operation of the Public Benefit requirements of the Charities Act 2011.

Achievements and performance

Review of activities

2020 has been a quiet year in the history of the Society owing to restrictions placed upon it by the global pandemic of Covid 19. There have been no fund-raising events and there has been limited access to the church. Consequently, expenses and grants made by the charity were relatively small. The regular quinquennial report was completed during the year. The Octagon Parochial Church Council has reviewed this report and agreed to adopt the recommendations subject to availability of funds. Renovations and repairs are likely to commence in 2021. The Society has already given agreement in principle to fund these works subject to pricing estimates. One of the principal roles of the Trustees is to maximise their grant giving capacity as each quinquennial programme materialises. This has always been the prime consideration when establishing the charity's investment strategy and determining the reserves policy to provide a sustainable funding programme.

The Society was fortunate to receive a large legacy during the year which will give the Society more flexibility in carrying out their objectives and underwrite the future of the charity for some years to come. Discussions are taking place to review current activities and to explore what might be possible to do in future to enhance the public benefit.

Investment strategy, performance and risk

The investments held by the charity have been managed in accordance with the powers available to the Trustees. Given that substantial grants are made every five years in line with quinquennial reports and given the charity is currently better funded to meet expected future needs, Trustees have determined the investment strategy should be relatively long term with a low dependence on regular cash flow from investments.

The funds have been vested with CCLA through the CBF Church of England Investment Fund and Deposit Fund. The performance of the CBF Investment Fund has been highly satisfactory appreciating 10.20% against the benchmark of 3.95% in 2020. 3-year annualised performance is 11.15% (benchmark 5.50%). The Gross Income of the fund is estimated at 2.93% at year end. In comparison to other charity fund managers, CCLA has generally produced higher returns with less risk (volatility). As at the year end, the fund was predominantly invested in equities (78%) across the globe in a variety of sectors.

A small proportion of the charity's assets are invested in the CCLA Church of England Deposit Fund. The fund is invested in a diversified portfolio of sterling denominated money market deposits and instruments. At the year end, the deposit rate was 0.15% A.E.R (Annual Equivalent Rate). The Trustees have considered the risk profile of the charity's investments and believe the investment strategy prudent in the context of the charity's objectives and its ongoing financial needs.

Reserves Policy

The Society has determined that their primary role is the upkeep of the church. A high level of reserves is considered appropriate to be able to contribute towards unscheduled but expected levels of expenditure over periods of five-year intervals. Given the age of the building and its architectural importance, the cost of any schedule of works will always be significant compared to the annual income capable of being derived from the charity's capital. The Trustees, therefore, have concluded it is prudent to adopt a cautious reserves policy especially when income derived from perceived low-risk investments, such as Government bonds, is nominally low and negative in real terms. The Trustees will monitor the reserves policy annually using the latest quinquennial report as the basis for assessing ongoing risks.

Financial Review

Income and Expenditure

Compared to 2019, the income of the charity has been changed significantly owing to the legacy of £450,000 which was received and invested in early August. This resulted in a net movement of funds of £488,439.

Donations and subscriptions were marginally lower during the year despite a concerted effort to widen the membership of Friends.

Expenses were marginally higher, mainly made up of insurance and architectural fees.

Trustees' statements

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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 & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the situation 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 SORP
- make judgments and accounting 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.

A handwritten signature in dark ink, appearing to read "Ursula Westmacott". The script is cursive and somewhat stylized.

URSULA WESTMACOTT

Chairman of Trustees

January 2021

March 18th 2021

Signed on behalf of the Trustees

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)

For the year ended 31st December 2020	NOTES	2020	2019
		£	£
INCOME ACCOUNT			
Incoming resources from generated funds:			
Covenants, Donations and Subscriptions	2	1,302	1,635
Gift Aid reclaim	3	392	0
Interest on CBF Deposit account		0	22
Dividends from Investments		51	50
Legacies	4	450,000	0
TOTAL INCOMING RESOURCES		451,745	1,707
EXPENDITURE ACCOUNT			
Less: Costs of generating funds			
Administration		23	53
Charitable activities			
Grants	5	2,619	2,391
Repairs		0	958
Governance costs			
Independent Examination		480	0
TOTAL RESOURCES EXPENDED		3,122	3,402
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER GAINS AND LOSSES		448,623	-1,695
Unrealised gain/(loss) on investment assets		19,816	13,007
Movement from CBF Deposit to Income account		20,000	5,315
NET MOVEMENT IN FUNDS		488,439	16,627
RECONCILIATION OF FUNDS			
Balance brought forward on 1 January 2020		106,240	89,613
Balance carried forward on 31 December 2020		594,679	106,240

BALANCE SHEET AS AT 31ST DECEMBER 2020

	NOTES	2020	2019
FIXED ASSETS		£	£
Investments	6	571,571	101,364
Fixed Deposits	7	102	51
CURRENT ASSETS			
Cash at bank and in hand		23,486	4,825
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		(480)	0
TOTAL CHARITY FUNDS		594,679	106,240

NOTES TO FINANCIAL STATEMENTS

For year ended 31st December 2020

1. Accounting policies

- i) The accounts this year have been prepared on an accruals basis, given the income of the charity exceeded £250,000 pounds following the receipt of a legacy of £450,000.
- ii) Legacy income is recognised when the legacy is received or when there is sufficient certainty that the legacy will be received, and the income can be measured with sufficient reliability.
- iii) Investments are stated at mid-market value with investment income shown on an accruals basis.

2. Covenants, Donations and Subscriptions

No Covenants were received

3. Gift Aid Reclaim

Includes claims from years 2018 and 2019

4. Legacies

An additional legacy from the same source is expected but has not been included as information on timing and amount is considered too uncertain.

5. Grants

To Compton and Up Marden Local Parish Council (part of Octagon Parish)

Architects Fees £1485

Building Insurance £1134

6. Investments

Represented at year end by:

88.25 Shares	CCLA CBF Church of England Fund (Income Class)	£1,808
11459.83 Shares	CCLA CBF Church of England Fund (Accumulation Class)	£569,763
	Total	£571,571

7. Fixed Deposits

Represented at year end by:

CCLA Church of England Deposit Fund £102

Ingrid Westmarsh

Accounts approved and signed by the Trustees

Date: *8th March 2021*

Society of Friends of St Michael's Church Up Marden
Independent examiner's report
For the year ended 31 December 2020

Independent Examiner's Report to the Trustees of Words of Life Ministries

I report to the charity trustees on my examination of the accounts of Society of Friends of St Michael's Church Up Marden for the year ended 31 December 2020, which are set out on pages 8 to 10.

Responsibilities and basis of report

As the trustees of the Charity 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 Charity'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 Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records
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.



J R Caladine FCCA
Caladine Limited
Chartered Certified Accountants
Chantry House, 22 Upperton Road
Eastbourne, BN21 1BF

Date: 9 March 2021

