

# SARUM ST MICHAEL EDUCATIONAL CHARITY

England & Wales · Charity number 309456

## Details

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**Status** Registered

**Legal form** Other

**Registered** 1966-10-17

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Second Floor North  
Cross Keys House  
22 Queen Street  
Salisbury  
SP1 1EY

**Phone** 01722422296

**Email** [clerk@sarumstmichael.org](mailto:clerk@sarumstmichael.org)

**Website** [www.sarumstmichael.org](http://www.sarumstmichael.org)

## Activities

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**Objects:** THE ADVANCEMENT OF EDUCATION IN ACCORDANCE WITH THE PRINCIPLES AND DOCTRINES OF THE CHURCH OF ENGLAND.

**Activities:** The Charity awards grants to individuals, schools, parishes and corporate bodies to further the following objectives: in the promotion of the education of persons involved with religious education; the provision of instruction and resources to schools and parishes; to assist persons financially so they can attend an establishment of further education to pursue their education.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training
- **Who:** Children/young People, People With Disabilities, Other Defined Groups

## Geography

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- Devon
- Dorset
- Hampshire
- Oxfordshire
- Somerset
- Wiltshire

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£193,496	£227,025	-	-
2023-12-31	£164,989	£244,233	-	-
2022-12-31	£157,909	£202,511	-	-
2021-12-31	£163,001	£225,721	-	-
2020-12-31	£150,478	£245,634	-	-

## Trustees

Name	Role	Appointed
David Christopher Pain		2019-01-01
Diane Christine Wood		2020-11-20
GRAHAM COURTNEY GEORGE LIGHT		2025-02-19
JENNIFER ANN PITCHER MED		
JONATHAN LEIGH		2019-08-30
Katie Fitzsimmons		2023-09-07
MARY ROSE WAREHAM		2025-11-18
MRS J MOLNAR		2015-11-15
Professor Elizabeth Stuart MBE		2017-07-18
Rev ANGUS JOHN MAYHEW		2025-11-18
Rt Revd Stephen David Lake		2022-06-19
The Very Rev Nicholas Charles Papadopoulos		2018-09-09
Tom Almond		2022-02-10

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

England & Wales - Charity number 309456

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# Accounts

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**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2024**

**CHARITY NO: 309456**

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**FLETCHER & PARTNERS  
CHARTERED ACCOUNTANTS  
SALISBURY**

**SARUM ST MICHAEL EDUCATIONAL CHARITY****REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

The Managing Trustees present this report together with financial statements of the Charity for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the Charity Commission Order, the Charities Act 2011 and the 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 (FRS102) – Charities SORP (FRS102).

<b>Registered Charity Number</b>	309456
<b>Registered Address</b>	Room 2, Suite 1 Second Floor North Cross Keys House 22 Queen Street Salisbury Wiltshire, SP1 1EY
<b>Governors</b> <b>Ex Officio Governors</b> The Bishop of Salisbury The Dean of Salisbury The Diocesan Director of Education The Diocesan Secretary The Chapter Clerk of Salisbury Cathedral	The Right Revd Stephen Lake The Very Revd Canon N Papadopoulos Mrs K Fitzsimmons Mr D Pain Mrs J Molnar
<b>Nominative Governors</b> Salisbury Diocesan Synod  Salisbury Diocesan Board of Education	Mr J Leigh (Chair) Mr G Light appointed 19 February 2025 Mrs JA Pitcher (Vice-Chair) The Revd Prof E Stuart MBE Mrs D Wood
<b>Additional Governors</b>	The Revd FJ Dunlop retired June 2024 Mr T Almond Ms I Deverill
<b>Clerk to the Governors</b>	Mrs JR Doig
<b>Banker</b>	Lloyds Bank plc 38 Blue Boar Row Salisbury Wiltshire, SP1 1DB
<b>Solicitor</b>	Parker Bullen 45 Castle Street Salisbury Wiltshire, SP1 3SS
<b>Independent Examiner</b>	Mrs NA Halls FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury Wiltshire, SP1 2LZ
<b>Investment Manager</b>	Rathbones Investment Management 30 Gresham Street London, EC2V 7QN

# **SARUM ST MICHAEL EDUCATIONAL CHARITY**

## **REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Sarum St Michael Educational Charity is a Registered Charity founded in 1979 and is regulated under the Charity Commission scheme of 24 January 1980. In June 2004 the Charity Commission gave an Order enabling the Charity to make changes to the original Scheme without prior approval of the Charity Commission unless related to the purposes of the Charity, spending of the endowment, conferring a benefit to Trustees or changing the name of the Charity.

In addition Resolution 2016 permitted changes to enable electronic means of communication and recording.

The Charity is managed by the Managing Trustees (known as Governors) who comprise five ex-officio Governors (as shown on page 1 of this report) and five nominative Governors consisting of three from the Salisbury Diocesan Board of Education and two from the Synod of the Diocese of Salisbury (one of which is currently gapped). The Salisbury Diocesan Board of Education is the Custodian Trustee of the Charity.

The Governors may appoint not more than two additional Governors to hold office for a term of two years. Every appointment shall be made by a resolution of the Governors to be passed at a meeting of their body.

All other governors are appointed after consultation with both the Diocesan Synod and the Salisbury Diocesan Board of Education. The aim is to have a Board of Governors with as wide a breadth of experience and skills as possible to include religious, educational, legal and financial knowledge.

#### **Governors**

Before new Governors are appointed they are invited to attend a Governors' meeting as an observer. An Induction pack is sent to a new Governor which includes the latest annual report and accounts, copies of the Charity's Scheme and accompanying Order and Resolutions, as well as all policies of the Charity.

#### **Organisation**

The Managing Trustees meet four times a year to determine grants and other expenditure. They review policy, consider financial statements and receive reports by the investment manager.

At each of the Governors' meetings personal, parish, school and corporate grant applications are considered and the decision whether or not to award grants and the level of the award is reached with the consensus of the Governors present. There is a quorum when four Governors are present at the meeting. All votes are to be determined by the majority, however, in the case of equal votes the Chair has the deciding vote.

Day-to-day management of the Charity is delegated to the Clerk to the Governors, assisted by a secretary/book-keeper. The Chair of the Governors regularly discusses the management of the Charity with the Clerk.

#### **Trustee Remuneration**

All Governors give of their time freely and no Trustee remuneration was paid during the reporting period. Details of any Trustee expenses and related party transactions are disclosed in this report.

## **SARUM ST MICHAEL EDUCATIONAL CHARITY**

### **REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **Trustee Conflicts of Interest**

All Governors are required to declare any conflict of interests during every Board Meeting. In the event that there is a conflict of interest the Governor in question is requested to leave the meeting for the relevant discussion/decision.

#### **OBJECTIVES AND ACTIVITIES**

The advancement of education in accordance with the principles and doctrines of the Church of England in one or more of the following ways:

- a. in the promotion of the education and training of persons who are, or intend to become, engaged as teachers or otherwise in work connected with religious education.;
- b. in the promotion of research in, and development of religious education;
- c. in the provision and conduct, or assistance in the provision and conduct, of a chapel and chaplaincy providing for student's religious worship, instruction and care;
- d. in the promotion of education by the provision of instruction, classes, lectures, books, libraries and reading rooms;
- e. in making grants to persons in need of financial assistance to enable them to attend an establishment of higher and further education or otherwise to pursue their education;
- f. and in such ways as the Governors may from time to time determine'.

Of note within the Scheme 1980 is paragraph 24 when considering the Application of Income. Having already dealt with the need to expend operational costs out of the income of the Charity, this section goes on to state that the 'Governors shall apply the income of the Charity in furthering the object thereof'. With the following at paragraph 24 (2):

'The Governors shall have particular regard to the needs of persons undergoing training and further training as teachers and persons pursuing higher and further education'.

The Charity is a member of the Religious Education Council (REC) and Association of Church College Trusts (ACCT), with the aim of supporting national efforts to promote the cause of religious education. The REC annual conference is attended by the School Improvement Advisor within Salisbury Diocesan Board of Education, whom reports to the Board to Governors. One of the Governors and Clerk to the Governors attend two conferences held by the ACCT each year, again reporting back to the Board afterwards.

Grant making is the primary activity of the Charity and as such when planning spend on grants for the year, Governors confirm that they have regard to the Charity Commission's guidance on public benefit. The Charity's Objects are entirely consistent with grants being awarded for the public benefit.

#### **Policy on Grant Making**

The Charity pursues its policy by making grants in accordance with its Objects, to those living or studying in Salisbury Diocese or a neighbouring Diocese, for the public benefit. Applicants are advised to check the criteria for the type of grant applied for.

Grants are awarded to individuals for the purpose of their own education whether that be in higher or further education. In particular those studying at Sarum College are usually supported by the Charity. But many study MAs and PhDs at other educational establishments across the country including the Open University.

## SARUM ST MICHAEL EDUCATIONAL CHARITY

### REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Of significance are the number of applicants wishing to become Religious Education (RE) teachers. The Charity has a strong relationship with Winchester University to whose students studying RE PGCE are awarded a bursary. Students studying the RE PGCE elsewhere are also entitled to the bursary.

The Charity makes awards to organisations such as churches, schools and not for profit organisations which meet the requirements of the Objects.

Information regarding the criteria and the Objects of the Charity is available on the website and by request over the telephone, post or email. Applicants are invited to complete an application form, along with the provision of references.

As a rule funding for future years is not awarded except in the case of the Salisbury Diocesan Board of Education. Applicants completing a course over several years must reapply each year.

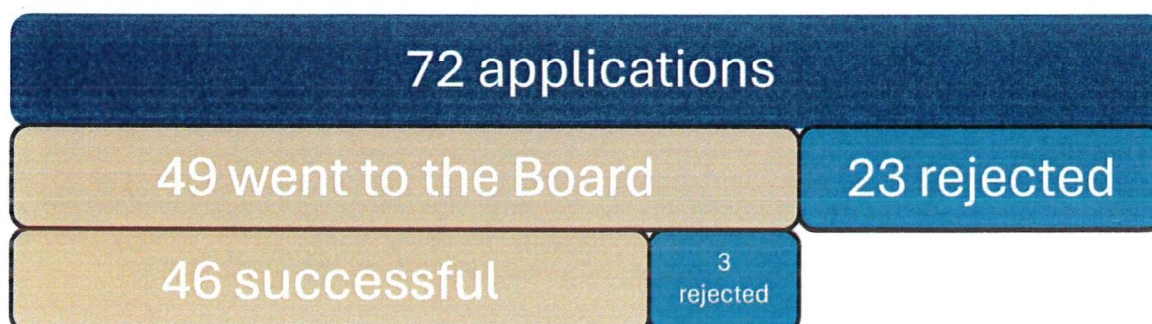
### ACHIEVEMENTS AND PERFORMANCE

In February of the previous year Governors agreed a grant spend budget of £205,000 against a similar percentage breakdown as the years before. Split of grant spend agreed was for Personal (inc bursaries) 45%, Parishes 2%, Schools 3% and Corporate 50%. The number of applications received was similar to that of previous years at 72. Albeit during this reporting period more were rejected. Care was taken to record why applications were rejected which will prove useful data. Primarily most did not meet the Objects of the Charity or were out of scope on the basis of geography.

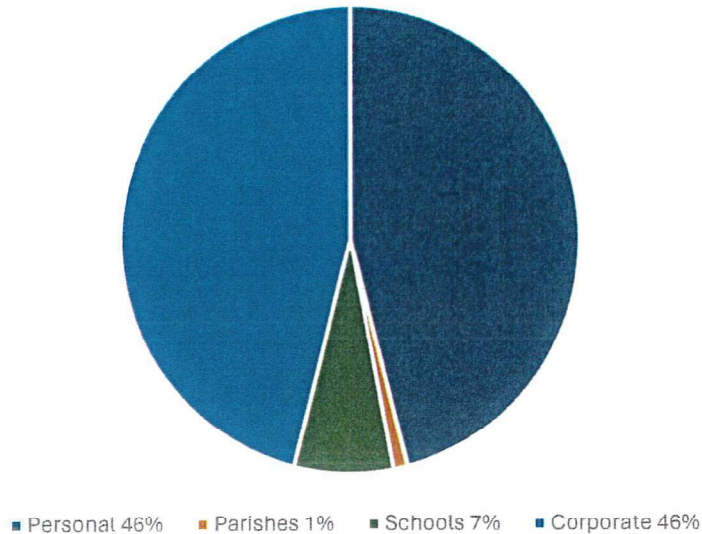
The award allocation mostly fell within the percentages set except for schools, which the Governors were pleased to see increase. 10 bursaries were awarded to potential RE teachers, sadly 2 students at Winchester University did not complete the course (their bursary awards have been refunded into FY25).

Overall the amount awarded fell from the previous year to £157,511 (£185,000 FY23) but with only £1,307 refunded (£6,025 FY23).

Grant spend of £157,104 during this reporting period included an unpaid grant from the previous year (£900 FY23) and a deferred grant (£1,285 FY22) less £1,307 refunded. The Charity will no longer defer awards except in the case of the large award made to the Salisbury Diocesan Board of Education.



Amount of Money Awarded FY24



£157,104

spent on 2,908 beneficiaries

+ all.....

**schools in Bath & Wells Diocese and Salisbury Diocese.**

**Monitoring Achievement**

The driver needs to be the number of applications received in order to turn around a greater number of beneficiaries. This is the work to be outlined in The Plans for the Future paragraph.

Nonetheless the Charity can and does monitor the level of achievement by its beneficiaries. All of whom under the terms of the award make an undertaking to provide the Charity with a report of their progress, whether they be individuals pursuing a course of study or an organisation running a specific project.

Evidence to demonstrate the difference the Charity's awards have made can be found below in a sample of quotations from the many emails of thanks received by the Charity:

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

“An enormous thank you for the wonderful grant towards supporting the future and education of young carers through our Aspirations Conference. Your grant will have a direct impact on the number of young carers attending.” £1,750 to *The Young Carers Development Trust*.

“I do not take this financial contribution lightly. I see it as support for God’s calling on my life and investment in the ministry .....” £2,243 *1<sup>st</sup> year of MA in Christian Spirituality at Sarum College*.

“ The £2,500 bursary I received last year was immensely beneficial, alleviating significant strain and enabling me to excel in my studies.” £2,500 *bursary for RE PGCE student now teaching RE in a secondary school*.

“This generous support will significantly aid my journey to becoming a proficient sign language interpreter.....I am deeply appreciative of your investment in my education and future.” £2,500 *Diploma in Sign Language Interpreting and Translation to assist church worship amongst the deaf community*.

“I am extremely grateful for the support of the trust for supporting my research, and ultimately enabling the completion of my PhD”. £2,500 *PhD at Oxford Brookes University*.

“I’m so grateful to Sarum St Michael for helping to make this year happen for me. I think I’m really making a difference here.” £2,500 *to fund a Gap Year student at Bishop Wordsworth School in the role assisting School Chaplain*.

“We had a colourful day, full of drama, dance, music and art, learning about Hindu culture and stories.....many thanks for your support.” £300 *towards a Hinduism Education day at Coombe Bissett Primary School. Photos below:*



## **SARUM ST MICHAEL EDUCATIONAL CHARITY**

### **REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **FINANCIAL REVIEW**

The only income stream is derived from the investment portfolio held by Rathbones Investment Management. The name change is indicative of Investec, with whom the funds have been invested with since 2012, having been taken over by Rathbones.

The Charity does not have a fundraising campaign as it does not fundraise nor seek donations or legacies.

The Charity set a budget for both grant spend and operational costs in February of the previous year; grant spend was below budget and operational costs almost spot on.

Total investment income for the year was £193,496 (£164,989 FY23).

Investment management costs for the reporting period were £36,809 (£35,142 FY23).

Operational costs to run the Charity were £33,112 (£30,116 FY23).

Total expenditure was £227,025 (£244,233 FY23), and the net expenditure for the year was £33,529 (£79,244 FY23).

Investment gains for the year were £407,363 (£300,463 FY23), making a net movement in funds for the year a £373,834 surplus (£221,219 surplus FY23). Encouraging after seeing a deficit 2 years previously in 2022.

At the end of the year the net assets of the Charity were £6,609,104 (£6,235,270 FY23).

There were no grants approved in this financial year to be paid out in the next year except the standing £68,000 award to Salisbury Diocesan Board of Education (last 2 remaining payments to be paid in 2025 and 2026). This grant covers the salary of the Schools Improvement Advisor.

The Internal Controls Policy is reviewed annually.

#### **Investment Policy and Performance**

Rathbones were instructed to manage the main portfolio (Endowment Fund) to enhance the real value of the capital and income of the Fund to aim for a target return of CPI +3%, net of fees. A revised income target of £180,000 was adopted.

The year delivered another positive year for equity markets. The growth of Artificial Intelligence continued to result in a rather concentrated market, whereby a handful of very large US technology firms delivered an outsized return, compared with the broader market. Robust US economic growth, allied to a services component of inflation that remained sticky, meant that the expectation of multiple interest rate cuts largely dissipated, and the market adjusted to an expectation that interest rates might stay higher for longer.

The total return achieved by the fund over the financial year, net of fees, was +9.2%, which compares favourably with the CPI +3% target return of +5.5%. The fund again benefitted from a degree of exposure to the high-growth technology sector, but this was balanced with income-producing assets, given the income requirement. Income of £192,000 was generated for the year.

At the end of 2024, the main portfolio was valued at £6,436,544. The asset allocation was 21% bonds, 20% UK equities, 47% overseas equities, 3% property, 8% alternative assets and 1% cash.

## **SARUM ST MICHAEL EDUCATIONAL CHARITY**

### **REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

Rathbones also manages the smaller accumulated income portfolio. The objective is to enhance the value of the capital and income of the fund with the avoidance of undue risk, as the fund will be drawn down and spent when suitable opportunities arise. At the end of 2024 the portfolio was valued at £177,079 and was invested 37% in bonds, 30% in UK equities and 33% in cash. The return for the financial year was +4.9%, against the comparator of +2.9%.

The inflation-adjusted value of the endowed capital funds whose original value was £907,698 on 24 January 1980 was £3,817,817 at the end of this financial year. This compares with the market value of £6,613,623 on 31 December 2024.

The Investment Policy is reviewed annually.

#### **Risk Management**

Risk Management is considered annually by the Governors and a comprehensive Risk Assessment in place. Of significance remains the matter of investment returns since it is that which determines whether the Charity can carry out its Objects. However, the Governors are content that their decision to place the funds in the care of Rathbones Investment Management the Charity has done all it can to minimise any risk. Regular reports are received and the Investment Manager invited to speak with the Governors annually.

Likewise regular Liquidity and Spend Reports presented prior to any decisions on grant spend is made ensures that only the funds available to spend can be awarded.

#### **Reserves Strategy**

In essence all that sits within the Accumulated Income Account is the Charity's Reserve and as such is still earning on the markets whilst accessible. This is deemed sufficient by the Governors. A sum of 3 months of operating costs and impending grants expenditure is considered as an appropriate amount to be held as a minimum level of reserve. The Accumulated Income Fund held by Rathbones always exceeded this amount throughout this reporting period.

At the end of the year the total reserves were £184,188 (£180,539 FY23). An immediate reserve of £59,662 if needed in the worst case scenario (3mths operating costs plus grant spend) was always available.

The Reserves Policy is reviewed annually.

#### **PLANS FOR THE FUTURE**

Much work was done to ensure that the necessary governance was put in place during this reporting period. Moving forward the Governors want to see an increase in the number of applications, hoping that in turn there will be an increase in grant spend and number of beneficiaries. In order to do this it will be necessary to launch a communications campaign commencing with the rewrite of the Charity's website. Once complete and with an online application process steps will be taken to broadcast the Charity's existence amongst schools initially.

A new website will bring additional benefits of a more efficient and accessible application process, which the staff are very much looking forward to.

# SARUM ST MICHAEL EDUCATIONAL CHARITY

## REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The purpose of this statement is to distinguish the trustees' responsibilities for the accounts from those of the independent examiners, as stated in their report.

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 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;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- 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 accounts on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue to meet its objectives.

The trustees are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the Charity's financial position at any time, and to enable the trustees to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on...3 JUN 25..... and signed on their behalf by

Trustee



J. A. PITCHER

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**SARUM ST MICHAEL EDUCATIONAL CHARITY**

I report to the trustees on my examination of the accounts of the Sarum St Michael Educational Charity (the Charity) for the year ended 31 December 2024, which are set out on pages 11 to 20.

**Responsibilities and basis of report**

As the charity 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; 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.

*Nicola Attah*

Mrs N A Halls FCA  
Fletcher & Partners Chartered Accountants  
Crown Chambers  
Bridge Street Salisbury  
Wiltshire  
SP1 2LZ

Date: *13th June* 2025

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2024</u>	<u>Total 2023</u>
<b>INCOME FROM:</b>					
Investments	2	193,496	-	193,496	164,989
<b>TOTAL</b>		<u>193,496</u>	<u>-</u>	<u>193,496</u>	<u>164,989</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Investment management costs	3	716	36,093	36,809	35,142
<b>Charitable activities:</b>					
Grants payable	4	190,216	-	190,216	209,091
<b>TOTAL</b>		<u>190,932</u>	<u>36,093</u>	<u>227,025</u>	<u>244,233</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS:</b>					
		2,564	(36,093)	(33,529)	(79,244)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>					
Realised gains/(losses) on investments		231	35,684	35,915	2,740
Unrealised gains/(losses) on investments	8	854	370,594	371,448	297,723
<b>NET INCOME/(EXPENDITURE)</b>		<u>3,649</u>	<u>370,185</u>	<u>373,834</u>	<u>221,219</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		3,649	370,185	373,834	221,219
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	11, 12	<u>180,539</u>	<u>6,054,731</u>	<u>6,235,270</u>	<u>6,014,051</u>
Total funds carried forward	11, 12	<u>£ 184,188</u>	<u>£ 6,424,916</u>	<u>£ 6,609,104</u>	<u>£ 6,235,270</u>

The statement of financial activities includes all gains and losses recognised in the years 2024 and 2023.

The notes on pages 14 to 20 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>Note</u>	<u>Unrestricted Funds</u>	<i>2023 COMPARATIVES ONLY</i> <u>Endowment Funds</u>	<u>Total 2023</u>
<b>INCOME FROM:</b>				
Investments	2	164,989	-	164,989
<b>TOTAL</b>		<u>164,989</u>	<u>-</u>	<u>164,989</u>
<b>EXPENDITURE ON:</b>				
<b>Raising funds:</b>				
Investment management costs	3	642	34,500	35,142
<b>Charitable activities:</b>				
Grants payable	4	209,091	-	209,091
<b>TOTAL</b>		<u>209,733</u>	<u>34,500</u>	<u>244,233</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES)</b>		(44,744)	(34,500)	(79,244)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>				
Realised gains/(losses) on investments		2,092	648	2,740
Unrealised gains/(losses) on investments	8	4,556	293,167	297,723
<b>NET INCOME/(EXPENDITURE)</b>		<u>(38,096)</u>	<u>259,315</u>	<u>221,219</u>
Transfers between funds		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(38,096)	259,315	221,219
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward	11, 12	<u>218,635</u>	<u>5,795,416</u>	<u>6,014,051</u>
Total funds carried forward	11, 12	<u>£ 180,539</u>	<u>£ 6,054,731</u>	<u>£ 6,235,270</u>

The statement of financial activities includes all gains and losses recognised in the year 2023

The notes on pages 14 to 20 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2024**

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>FIXED ASSETS:</b>			
Tangible assets	7	-	-
Investments	8	6,436,545	6,071,130
Endowment Funds	8	118,664	141,978
Unrestricted Funds		<u>6,555,209</u>	<u>6,213,108</u>
Total fixed assets			
<b>CURRENT ASSETS:</b>			
Investments	8	58,416	31,157
Debtors	9	1,279	1,435
Cash at bank and in hand		8,274	3,186
Total current assets		<u>67,969</u>	<u>35,778</u>
<b>LIABILITIES:</b>			
CREDITORS: amounts falling due within one year	10	(14,074)	(13,616)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>53,895</u>	<u>22,162</u>
<b>TOTAL NET ASSETS</b>		<u>£ 6,609,104</u>	<u>£ 6,235,270</u>
 <b>THE FUNDS OF THE CHARITY:</b>			
Endowment Funds	11	6,424,916	6,054,731
Unrestricted Funds	12	184,188	180,539
<b>TOTAL CHARITY FUNDS</b>	14	<u>£ 6,609,104</u>	<u>£ 6,235,270</u>

Approved by the Managing Trustees on *3<sup>rd</sup> June* 2025  
and signed on their behalf by :

Trustee



J. A. PITCHER

The notes on pages 14 to 20 form part of these accounts

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**1. ACCOUNTING POLICIES**

**a Basis of preparing the financial statements**

The financial statements of the Charity are 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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (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'. This 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. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

**b Preparation of the accounts on a going concern basis**

The investment income and values improved in comparison with the previous year. The number of grants paid increased in the year. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material judgements that affect the accounts. The main source of estimation uncertainty for 2025 relates to the value of investments and investment income.

**c Fund structure**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes (see note 12).

The endowment fund represents those assets which must be held permanently by the Charity. Income arising on the endowment fund is to be used in accordance with the objects of the Charity and is included as unrestricted income. Any realised or unrealised capital gains or losses arising on the investments form part of the fund.

**d Income**

Income is accounted for in the period in which the Charity is entitled to the income, it is probable that the income will be received and the amount of income can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest is recognised when receivable.

**e Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included on an accruals basis and includes VAT where charged.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

**f Allocation of support costs and governance 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. These costs include costs related to statutory audit or independent examination together with an apportionment of support costs.

Governance and other support costs relating to charitable activities have been apportioned based on the number of grants awarded per category of grant in recognition that the administrative burden of awarding and monitoring each grant is broadly equivalent.

The allocation of support and governance costs is analysed in note 5.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**1. ACCOUNTING POLICIES (Continued)**

**g Expenditure on raising funds**

Expenditure on raising funds comprise investment management costs.

**h Charitable activities**

Costs of Charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

**i Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is provided on fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment:	25% per annum on cost
Office equipment:	20% per annum on cost
Office furniture:	10% per annum on cost

**j Fixed asset investments**

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value (mid market price) 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. The charity does not acquire put options, derivatives or other complex financial instruments.

**k 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 the sale proceeds and opening market value (or 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).

**l Debtors**

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

**m Cash at bank and in hand**

Cash at bank and in hand includes cash and cash on deposit.

**n Liabilities**

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

**o Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are recognised at amortised cost, except for investments which are measured at fair value with changes recognised on the Statement of Financial Activities.

**p Leases**

Commitments in respect to rent and other charges paid under operating leases are shown in the notes to the accounts. Costs are recognised in the SOFA on a straight line basis over the lease term.

**2. INCOME FROM INVESTMENTS**

	<u>2024</u>	<u>2023</u>
Income from listed investments	190,727	163,126
Interest received on cash deposits	2,769	1,863
	<u>£ 193,496</u>	<u>£ 164,989</u>

All investment income is unrestricted.

**3. EXPENDITURE ON RAISING FUNDS**

	<u>2024</u>	<u>2023</u>
Investment management costs	716	642
Unrestricted funds	36,093	34,500
Endowment funds	<u>£ 36,809</u>	<u>£ 35,142</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. ANALYSIS OF CHARITABLE EXPENDITURE**

The charity undertook no direct charitable activities but awarded grants to a number of individuals and institutions in furtherance of its charitable activities. All grants approved are subject to the recipient fulfilling certain conditions. The amount payable in the year comprises:

<u>Object/activity per Trustees' report</u>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 2024</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (for 10 students)	2	-	-	25,000	-	1,352	26,352
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	1	3,000	-	-	-	676	3,676
d) Teaching resources	13	82,257	(107)	-	-	8,785	90,935
e) Financial assistance	33	-	-	48,154	(1,200)	22,299	69,253
	<u>49</u>	<u>£ 85,257</u>	<u>£ (107)</u>	<u>£ 73,154</u>	<u>£ (1,200)</u>	<u>£ 33,112</u>	<u>£ 190,216</u>

<u>Object/activity per Trustees' report</u>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 2023</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching	3	-	-	25,000	(1,945)	1,457	24,512
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	2	8,000	-	-	-	971	8,971
d) Teaching resources	14	85,272	-	-	-	6,800	92,072
e) Financial assistance	43	-	-	66,728	(4,080)	20,888	83,536
	<u>62</u>	<u>£ 93,272</u>	<u>£ -</u>	<u>£ 91,728</u>	<u>£ (6,025)</u>	<u>£ 30,116</u>	<u>£ 209,091</u>

All expenditure on charitable activities was from unrestricted funds in 2023 and 2024.

The largest institutional grants made in 2024 were:

- d) Teaching resources  
£68,000 to the Salisbury Diocesan Board of Education to support the employment of the Diocesan RE Adviser and SIAMS (Statutory Inspection of Anglican and Methodist Schools) manager and the development of the work of the School Effectiveness Advisers.

St Osmund's Middle School received £3,467 for the cost of a retreat for 181 Year 7 pupils to Salisbury Cathedral. Encounter Christianity received £2,400 as funding for 3 Special Needs Sensory Workshops. Young Carers Development Trust received £1,750 to support their Aspirations Conference.

- c) Chaplaincy  
St Laurence School, Bradford on Avon, received £3,000 for their Chaplaincy programme.

The balance of institutional grants was made up of 9 grants totalling £6,533.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS**

The breakdown of support costs and how these were allocated between governance (5%) and other support costs (95%) is shown in the table below.

	Basis of allocation	Other support costs	Governance costs	Total 2024	Total 2023
Staff costs	Staff time	18,841	992	19,833	19,099
Staff expenses	Staff time	95	5	100	634
Office premises costs	Staff time	5,557	292	5,849	3,028
Office administrative costs	Staff time	1,575	83	1,658	1,562
Legal and professional costs	Staff time	693	37	730	790
Depreciation	Staff time	-	-	-	-
		<u>£ 26,761</u>	<u>£ 1,409</u>	<u>£ 28,170</u>	<u>£ 25,113</u>

**GOVERNANCE COSTS**

		2024	2023
Accountants' remuneration	for accountancy services	2,085	2,064
	for independent examination	2,085	2,064
Cost of meetings		772	875
Support costs (5%)		1,409	1,256
		<u>£ 6,351</u>	<u>£ 6,259</u>

**TOTAL SUPPORT COSTS**

	2024	2023
Other support costs	26,761	23,857
Governance costs	6,351	6,259
	<u>£ 33,112</u>	<u>£ 30,116</u>

The total support cost attributable to charitable activities (grants payable) is apportioned pro rata by the number of grants awarded per category of grant as shown in note 4.

**6. ANALYSIS OF STAFF COSTS**

	2024	2023
Salaries	19,740	19,099
Social security costs	-	-
Pension costs	93	-
	<u>£ 19,833</u>	<u>£ 19,099</u>

The average number of employees during the year was 2 (2023 - 2).

No employees had emoluments above £60,000 in 2024 or 2023.

The charity contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

The day to day operations of the charity is delegated by the Trustees to the Clerk who is considered to be the key management person. The total cost of key management personnel during the year was £12,354

Trustees received no remuneration or benefits (2023 - nil). Trustee travel expenses of £22.32 were reimbursed in the year to one trustee. (2023 - nil).

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

<b>7. TANGIBLE FIXED ASSETS</b>	<u>Computer Equipment</u>	<u>Office Furniture</u>	<u>Office Equipment</u>	<u>Total</u>
<b>Cost</b>				
At 1 January 2024	-	173	418	591
At 31 December 2024	-	173	418	591
<b>Depreciation</b>				
At 1 January 2024	-	173	418	591
At 31 December 2024	-	173	418	591
<b>Net Book Value</b>				
At 31 December 2024	£ -	£ -	£ -	£ -
At 1 January 2024	£ -	£ -	£ -	£ -

<b>8. FIXED ASSET INVESTMENTS</b>	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
<b>Listed Investments</b>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Market value at 1 January	6,042,893	5,793,402	125,678	157,284
Additions to investments at cost	1,393,096	969,894	65,628	70,667
Disposals at carrying value	(1,385,518)	(1,013,570)	(73,496)	(106,829)
Net gain/(loss) on revaluation	370,594	293,167	854	4,556
Market value at 31 December	£ 6,421,065	£ 6,042,893	£ 118,664	£ 125,678
Historical cost as at 31 December	£ 5,069,035	£ 4,914,077	£ 106,324	£ 106,062
	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Cash with Investment Managers</b>				
Held at 1 January	28,237	23,490	47,457	45,585
Investment income	-	-	198,540	170,481
Proceeds from sale of investments	1,421,690	1,014,649	73,727	108,922
Other investment receipts (redemption proceeds, equalisation etc)	1,284	637	250	92
Expended on investment purchases	(1,399,944)	(976,260)	(65,845)	(70,953)
Investment management charges	(35,787)	(34,279)	(713)	(670)
Transferred to general bank account	-	-	(195,000)	(206,000)
Held at 31 December	£ 15,480	£ 28,237	£ 58,416	£ 47,457
Viewed as current asset capital cash (transferred to general bank account within 6 months)	-	-	58,416	31,157
Viewed as fixed asset capital cash	£ 15,480	£ 28,237	£ -	£ 16,300
<b>Total Fixed Asset Investments</b>	£ 6,436,545	£ 6,071,130	£ 118,664	£ 141,978

<b>9. DEBTORS AND PREPAYMENTS</b>	<u>2024</u>	<u>2023</u>
Other debtors	-	-
Prepayments	1,279	1,435
	£ 1,279	£ 1,435

<b>10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<u>2024</u>	<u>2023</u>
Trade creditors	-	-
Accruals and deferred income	13,473	13,043
Taxation and social security	601	573
	£ 14,074	£ 13,616

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**11. ENDOWMENT FUNDS**

	Balance at 31.12.23	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.24
Main Fund	£ 6,054,731	£ -	£ (36,093)	£ 406,278	£ -	£ 6,424,916
	Balance at 31.12.22	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.23
Main Fund	£ 5,795,416	£ -	£ (34,500)	£ 293,815	£ -	£ 6,054,731

The Main Fund was established in 1980 from the assets of the College of Sarum St Michael, which was the Church of England's Teacher Training College in The Close, Salisbury.

**12. UNRESTRICTED FUNDS**

	Balance at 31.12.23	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.24
Designated Fund for grants payable in:						
2024	70,685	-	-	-	(70,685)	-
2025	68,000	-	-	-	-	68,000
2026	-	-	-	-	68,000	68,000
	138,685	-	-	-	(2,685)	136,000
General Reserve	41,854	193,496	(190,932)	1,085	2,685	48,188
	£ 180,539	£ 193,496	£ (190,932)	£ 1,085	£ -	£ 184,188
	Balance at 31.12.22	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.23
Designated Fund for grants payable in:						
2023	79,220	-	-	-	(79,220)	-
2024	1,785	-	-	-	68,900	70,685
2025	-	-	-	-	68,000	68,000
	81,005	-	-	-	57,680	138,685
General Reserve	137,630	164,989	(209,733)	6,648	(57,680)	41,854
	£ 218,635	£ 164,989	£ (209,733)	£ 6,648	£ -	£ 180,539

The designated funds represent accumulated income set aside for grants approved for payment by 31 December 2026. Transfers are made to/(from) the General Reserve to ensure that sufficient funds are designated for grants payable.

**13. OPERATING LEASES - Land and Buildings**

At 31 December 2024 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024	2023
Not later than 1 year	2,290	5,193
Later than 1 year and not later than 5 years	-	1,992
Later than 5 years	-	-
	£ 2,290	£ 7,185

Lease costs expensed in the year were £5,223.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**At 31 December 2024**

Fund balances are represented by:

	Endowment Funds	Unrestricted Funds	Total
Tangible fixed assets	-	-	-
Fixed asset investments	6,436,545	118,664	6,555,209
Current asset investments	-	58,416	58,416
Debtors	-	1,279	1,279
Cash at bank and in hand	(2,486)	10,760	8,274
Creditors: amounts falling due within one year	(9,143)	(4,931)	(14,074)
<b>Total net assets</b>	<b>£ 6,424,916</b>	<b>£ 184,188</b>	<b>£ 6,609,104</b>

**At 31 December 2023**

Fund balances are represented by:

	Endowment Funds	Unrestricted Funds	Total
Tangible fixed assets	-	-	-
Fixed asset investments	6,071,130	141,978	6,213,108
Current asset investments	-	31,157	31,157
Debtors	-	1,435	1,435
Cash at bank and in hand	(7,563)	10,749	3,186
Creditors: amounts falling due within one year	(8,836)	(4,780)	(13,616)
<b>Total net assets</b>	<b>£ 6,054,731</b>	<b>£ 180,539</b>	<b>£ 6,235,270</b>

**15. RELATED PARTY TRANSACTIONS**

There were no related party transactions in 2024 or 2023.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

England & Wales - Charity number 309456

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# Accounts

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**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

**CHARITY NO: 309456**

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1	Reference and Administration Information
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8	Statement of Financial Activities
9	Balance Sheet
10 - 16	Notes forming part of the financial statements
Annex	Comments from beneficiaries

**FLETCHER & PARTNERS  
CHARTERED ACCOUNTANTS  
SALISBURY**

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

The Managing Trustees present this report together with the financial statements of the Charity for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the Charity Commission Order, the Charities Act 2011 and the 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 (FRS102) - Charities SORP (FRS 102).

<b>Registered Charity Number</b>	309456 ( in England and Wales)
<b>Registered Address</b>	Room 2, Suite 1 Second Floor North Cross Keys House 22 Queen Street, Salisbury SP1 1EY
<b>Governors</b>	
<u>Ex Officio Governors</u>	
The Bishop of Salisbury	The Right Revd Stephen Lake
The Dean of Salisbury	The Very Revd Canon Nicholas Papadopoulos
The Diocesan Director of Education	Mrs J Tubbs (to July 2023) Mrs K Fitzsimmons (from September 2023)
The Diocesan Secretary	Mr D Pain
The Chapter Clerk of Salisbury Cathedral	Mrs J Molnar
<u>Nominative Governors</u>	
Salisbury Diocesan Synod	Mr J Leigh (Chairman) Revd A Keating (Retired 9 February 2023)
Salisbury Diocesan Board of Education	Mrs J A Pitcher (Vice- Chairman) The Revd Professor E Stuart Mrs D Wood
<u>Additional Governors</u>	The Revd F J Dunlop Mr T Almond Ms I Deverill (Appointed 9 February 2023)
<b>Clerk to the Governors</b>	Mr N R Allen (Retired September 2023) Mrs J R Doig (Appointed September 2023)
<b>Banker</b>	Lloyds Bank plc 38 Blue Boar Row Salisbury Wiltshire SP1 1DB
<b>Solicitor</b>	Parker Bullen 45 Castle Street Salisbury Wiltshire SP1 3SS
<b>Independent Examiner</b>	Mrs N A Halls FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
<b>Investment Manager</b>	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Sarum St Michael Educational Charity is a Registered Charity founded in 1979 and is regulated under the Charity Commission scheme of 24 January 1980. In June 2004 the Charity Commission gave an order to amend the original scheme, allowing the appointment of two additional Governors and another ex-officio Governor.

The Charity is managed by the Managing Trustees (known as Governors) who comprise five ex-officio Governors (as shown on page 1 of this report) and five nominative Governors consisting of three from the Salisbury Diocesan Board of Education and two from the Synod of the Diocese of Salisbury (one of which is currently gapped). The Salisbury Diocesan Board of Education is the Custodian Trustee of the Charity.

The Governors may appoint not more than four additional Governors to hold office for a term of two years. Every appointment shall be made by a resolution of the Governors to be passed at a meeting of their body.

The appointment of governors is undertaken after consultation with both the Diocesan Synod and the Salisbury Diocesan Board of Education. The aim is that the Board of Governors should have as wide a breadth of experience as possible to include religious, educational, legal and financial knowledge.

### **Governors**

Before new Governors are appointed they are invited to attend a Governors' meeting as an observer. In addition they are given a copy of the Charity Commission's Order for the Charity so that they fully understand the conditions and criteria in the Order that they will have to observe. They also receive a copy of the latest annual report and accounts and investment management report.

### **Organisation**

The Managing Trustees meet four or five times a year to determine grants and other expenditure. They review policy, consider financial statements and receive reports by the investment manager.

At each of the Governors' meetings personal, parish, school and corporate grant applications are considered and the decision whether or not to award grants and the level of the award is reached with the consensus of the Governors present. There is a quorum when four Governors are present at the meeting.

Day-to-day management of the Charity is delegated to the Clerk to the Governors, assisted by a secretary/book-keeper. The Chairman of the Governors regularly discusses the management of the Charity with the Clerk.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

(Continued)

### **Policy on Grant-Making**

The Charity pursues its policy by making grants in accordance with its object, normally to those living or studying in the Diocese of Salisbury or an adjoining Diocese, for the public benefit.

Teaching bursaries for students who are intending to specialise in Religious Education (RE) and will take appropriate courses in Primary or Secondary Education are considered every year.

The Charity has its own website and invites applications for grants by that means as well as through other publicity. All applicants must complete a standard form. Grants for persons attending educational establishments are continued only if the applicant remains at that establishment. Grants to institutions to fund specific projects or posts are awarded on condition that for the term of the grant a report on the achievements of the project or post is received each year.

### **Risk Management**

The Charity's Managing Trustees have considered the risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The Governors believe that the variability of investment returns constitutes the Charity's main risk. The Governors appointed the current investment manager in 2012 (Investec Wealth & Investment Ltd) and in 2018 conducted an internal formal review of their performance from January 2013 to December 2017. Governors concluded that this had been satisfactory. In July 2023 another internal review of investment performance and charges was conducted by the Governors and again found to be satisfactory when compared to other fund managers. The Governors plan to conduct a tendering process in 2026 as part of their good management of the charity.

### **OBJECTIVES AND ACTIVITIES**

The object of the Charity is the advancement of education in accordance with the principles and doctrines of the Church of England in one or more of the following ways:

- (a) in the promotion of the education and training of persons who are, or intend to become, engaged as teachers or otherwise in work connected with religious education;
- (b) in the promotion of research in, and development of, religious education;
- (c) in the provision and conduct, or assistance in the provision and conduct, of a chapel and chaplaincy providing for students' religious worship, instruction and care;
- (d) in the promotion of education by the provision of instruction, classes, lectures, books, libraries and reading rooms;
- (e) in making grants to persons in need of financial assistance to enable them to attend an establishment of higher or further education or otherwise to pursue their education;
- (f) and in such ways as the Governors may from time to time determine.

The Charity pursues its objectives by making grants to individuals and institutions such as universities, schools, parishes and other religious establishments. The Charity is an active member of the Religious Education Council (REC) and the Association of Church College Trusts (ACCT), with the aim of supporting national efforts to promote the cause of religious education.

When planning the activities for the year, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit. The Charity's aims are entirely consistent with grants being awarded for the public benefit.

The Trustees' aim in 2023 was to allocate grants so that 45% was for personal grants and bursaries, 50% for corporate grants, 3% for schools and 2% for parishes.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

(Continued)

## **ACHIEVEMENTS AND PERFORMANCE**

Seventy-four applications were received during 2023. Of the forty-six personal applicants, thirty-four were successful. In addition ten bursaries were paid through Winchester University. Six of the ten corporate applications were successful. There were seven school applications and one parish application, which were all successful.

The grant budget set for 2023 was £180,550. The Charity approved new grants totalling £289,215, of which £206,685 will be paid in future years. Of the grants approved in 2023, £900 due for payment in 2023 were deferred to 2024. During 2023 the Charity paid grants totalling £185,000 (2022: £137,594) and grants of £6,025 were refunded (2022: £1,500).

The division of grants paid between recipients differed from the proposed target and worked out at 49% for personal applicants 46% for corporate applications, 4% for schools and 1% for parishes. The analysis of grants is shown in note 4 to the accounts.

A selection of comments from beneficiaries is annexed.

The Clerk and Administrator attended the ACCT Seminar in March 2023, online, as did Mrs D Wood in the Autumn.

## **FINANCIAL REVIEW**

The Charity is reliant on the income from its investments. Total investment income for the year was £164,989 (2022: £157,909).

The investment management costs for 2023 were £35,142 (2022: £35,359), of which £34,500 related to endowments (2022: £34,604). Administration and premises costs were £25,113, of which £23,857 (95%) were allocated to other support costs. The balance of £1,256 was added to other governance costs, which in all totalled £6,259 for 2023 (2022: £5,478). Other support costs and governance costs were then allocated to charitable activities, giving a total of £209,091 for the cost of grants payable (2022: £167,152).

Total expenditure was £244,233, and the net expenditure for the year was £79,244 (2022: net expenditure of £44,602). Investment gains for the year were £300,463 (2022: losses of £831,550), making a net movement in funds for the year a £221,219 surplus (2022: £876,152 deficit).

At the end of the year the net assets of the Charity were £6,235,270 (2022: £6,014,051).

Grants approved for payment in 2024 totalled £70,685, in 2025 £68,000 and in 2026 £68,000. This gave a total of £206,685 approved but not paid at the end of the year. As is usual policy, the majority of these future years' grants have been designated for payment from accumulated income, which has been set aside in a designated fund for grants payable in 2024 to 2025.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

(Continued)

### **Investment Policy and Performance**

Investec has been instructed to manage the main portfolio (Endowment Fund) to enhance the real value of the capital and income of the Fund and to aim for a target return of RPI plus 3%, net of fees. The charity's aim is to sustain the income stream in the region of £160,000 (as at end of 2011) in real terms. The governors decided at their first meeting in 2023 to change the benchmark with immediate effect to CPI+3%, net of fees. Previously the benchmark was RPI+3%, however, RPI has been discredited for some time as a measure of inflation and most charities now use the Consumer Prices Index (CPI).

This year (2023) delivered a positive return as markets were boosted by better economic growth than feared in the US, despite a much higher interest rate environment. The year was also characterised by an explosion of interest in Artificial Intelligence, with the market believing that the development of AI is now at a stage where it can be used to increase productivity and efficiency throughout industry. This was most obviously reflected by a surge in AI-related technology stocks with many of the largest companies delivering the biggest share price gains. As such, this was a year characterised by a highly concentrated equity market return, driven by a small number of very large companies. Bond yields peaked in the summer months and then started to fall on expectations that central bank attention would soon switch to the prospect of interest rate cuts in the face of falling inflation. However, the last leg down in inflation to central bank targets is proving more challenging and so only a modest reduction in interest rates is now priced in for 2024.

The total return achieved by the fund, net of fees, was +7.4% and this compares with the long-term CPI +3% target over the same period of +7.0%. Equity markets performed very strongly, particularly in the US technology sector. The fund benefitted from having some exposure to this growth area but this was balanced with income-producing assets, given the income requirement. Income of £165,000 was generated during the year.

At the end of 2023, the main portfolio valued at £6,071,130 consisted of 24.7% UK Equities, 43.9% Overseas Equities, 16.4% Fixed Income, 6.1% Property, 7.4% Alternatives and 1.5% Cash.

Investec also manages the smaller accumulated income portfolio. Their objective is to enhance the value of the capital and income of the fund with the avoidance of undue risk as the fund will be drawn down and spent when suitable opportunities arise. At the end of 2023 the portfolio valued at £173,134 consisted of 32.9% UK Equities, 39.7% Fixed Income and 27.4% Cash.

The total return on the accumulated income portfolio was +6.0% net of fees. This compares with the benchmark return of +5.6 % (Bespoke benchmark comprising 45% Fixed Interest, 40% UK Equities and 15% Cash).

The investment manager has been instructed to adhere to the ethical investment policy of the Church of England, and to favour companies that display a positive approach to governance and sustainability.

### **Reserves Policy**

The Charity has a general reserve of accumulated income the level of which was reviewed by the Governors in April 2016. It was decided that the general reserve should cover a minimum of one year's future support and governance costs. However, this reserve is after transfers of accumulated income to the designated fund for the grants approved for payment by the end of the next two financial years.

The total reserves at the 31 December 2023 were £180,539 (2022:£218,635). Of this, the general reserve at 31 December 2023 stood at £41,854 (2022: £137,630).

The inflation-adjusted value of the endowed capital funds whose original value was £907,698 at 24 January 1980 was £5,532,608 at December 2023. This compares with the market value of £6,071,130 at 31 December 2023.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

(Continued)

**PLANS FOR FUTURE PERIODS**

The Governors have set a total grant budget for 2024 of £205,000 exclusive of support costs. This includes £70,685 for grants already approved for payment in 2024. With the new appointment of Clerk to the Governors all governance and procedures will be reviewed throughout the year 2024, culminating in next year's Annual Report. A tendering process will take place for the Auditor and Accountant in 2025 and Investment Management in 2026.

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The purpose of this statement is to distinguish the trustees' responsibilities for the accounts from those of the independent examiners, as stated in their report.

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 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;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- 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 accounts on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue to meet its objectives.

The trustees are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the Charity's financial position at any time, and to enable the trustees to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 4th June 2024 and signed on their behalf by:

J A Pitcher

Trustee and Vice Chair

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**SARUM ST MICHAEL EDUCATIONAL CHARITY**

Page 7

I report to the trustees on my examination of the accounts of the Sarum St Michael Educational Charity (the Charity) for the year ended 31 December 2023, which are set out on pages 8 to 16..

**Responsibilities and basis of report**

As the charity 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; 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.

Nicola A Halls

Mrs N A Halls FCA  
Fletcher & Partners Chartered Accountants  
Crown Chambers  
Bridge Street Salisbury  
Wiltshire  
SP1 2LZ

Date: 6 June 2024

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2023</u>	<u>Total 2022</u>
<b>INCOME FROM:</b>					
Investments	2	164,989	-	164,989	157,909
<b>TOTAL</b>		<u>164,989</u>	<u>-</u>	<u>164,989</u>	<u>157,909</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Investment management costs	3	642	34,500	35,142	35,359
<b>Charitable activities:</b>					
Grants payable	4	209,091	-	209,091	167,152
<b>TOTAL</b>		<u>209,733</u>	<u>34,500</u>	<u>244,233</u>	<u>202,511</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS:</b>					
		(44,744)	(34,500)	(79,244)	(44,602)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>					
Realised gains/(losses) on investments		2,092	648	2,740	(184,818)
Unrealised gains/(losses) on investments	8	4,556	293,167	297,723	(646,732)
<b>NET INCOME/(EXPENDITURE)</b>		<u>(38,096)</u>	<u>259,315</u>	<u>221,219</u>	<u>(876,152)</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(38,096)	259,315	221,219	(876,152)
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	11, 12	<u>218,635</u>	<u>5,795,416</u>	<u>6,014,051</u>	<u>6,890,203</u>
Total funds carried forward	11, 12	<u>£ 180,539</u>	<u>£ 6,054,731</u>	<u>£ 6,235,270</u>	<u>£ 6,014,051</u>

The statement of financial activities includes all gains and losses recognised in the years 2023 and 2022.

The notes on pages 10 to 16 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

*2022 COMPARATIVES ONLY*

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2022</u>
<b>INCOME FROM:</b>				
Investments	2	157,909	-	157,909
<b>TOTAL</b>		<u>157,909</u>	<u>-</u>	<u>157,909</u>
<b>EXPENDITURE ON:</b>				
<b>Raising funds:</b>				
Investment management costs	3	755	34,604	35,359
<b>Charitable activities:</b>				
Grants payable	4	167,152	-	167,152
<b>TOTAL</b>		<u>167,907</u>	<u>34,604</u>	<u>202,511</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES)</b>		(9,998)	(34,604)	(44,602)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>				
Realised gains/(losses) on investments		(2,829)	(181,989)	(184,818)
Unrealised gains/(losses) on investments	8	(11,743)	(634,989)	(646,732)
<b>NET INCOME/(EXPENDITURE)</b>		<u>(24,570)</u>	<u>(851,582)</u>	<u>(876,152)</u>
Transfers between funds		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(24,570)	(851,582)	(876,152)
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward	11, 12	<u>243,205</u>	<u>6,646,998</u>	<u>6,890,203</u>
Total funds carried forward	11, 12	<u>£ 218,635</u>	<u>£ 5,795,416</u>	<u>£ 6,014,051</u>

The statement of financial activities includes all gains and losses recognised in the years 2022 and 2021.

The notes on pages 10 to 16 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>FIXED ASSETS:</b>			
Tangible assets	7	-	-
Investments			
Endowment Funds	8	6,071,130	5,816,892
Unrestricted Funds	8	<u>141,978</u>	<u>182,685</u>
Total fixed assets		<u>6,213,108</u>	<u>5,999,577</u>
<b>CURRENT ASSETS:</b>			
Investments			
Unrestricted Funds	8	31,157	20,184
Debtors	9	1,435	1,058
Cash at bank and in hand		<u>3,186</u>	<u>6,531</u>
Total current assets		35,778	27,773
<b>LIABILITIES:</b>			
CREDITORS: amounts falling due within one year	10	<u>(13,616)</u>	<u>(13,299)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>22,162</u>	<u>14,474</u>
<b>TOTAL NET ASSETS</b>		<u>£ 6,235,270</u>	<u>£ 6,014,051</u>
<b>THE FUNDS OF THE CHARITY:</b>			
Endowment Funds	11	6,054,731	5,795,416
Unrestricted Funds	12	<u>180,539</u>	<u>218,635</u>
<b>TOTAL CHARITY FUNDS</b>	14	<u>£ 6,235,270</u>	<u>£ 6,014,051</u>

Approved by the Managing Trustees on 4th June 2024

and signed on their behalf by :

J A Pitcher

Trustee and Vice Chair

## 1. ACCOUNTING POLICIES

### a **Basis of preparing the financial statements**

The financial statements of the Charity are 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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (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'. This 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. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

### b **Preparation of the accounts on a going concern basis**

The investment income and values improved in comparison with the previous year. The number of grants paid increased in the year. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material judgements that affect the accounts. The main source of estimation uncertainty for 2024 relates to the value of investments and investment income.

### c **Fund structure**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes (see note 12).

The endowment fund represents those assets which must be held permanently by the Charity. Income arising on the endowment fund is to be used in accordance with the objects of the Charity and is included as unrestricted income. Any realised or unrealised capital gains or losses arising on the investments form part of the fund.

### d **Income**

Income is accounted for in the period in which the Charity is entitled to the income, it is probable that the income will be received and the amount of income can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest is recognised when receivable.

### e **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included on an accruals basis and includes VAT where charged.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

### f **Allocation of support costs and governance 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. These costs include costs related to statutory audit or independent examination together with an apportionment of support costs.

Governance and other support costs relating to charitable activities have been apportioned based on the number of grants awarded per category of grant in recognition that the administrative burden of awarding and monitoring each grant is broadly equivalent.

The allocation of support and governance costs is analysed in note 5.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**1. ACCOUNTING POLICIES (Continued)**

**g Expenditure on raising funds**

Expenditure on raising funds comprise investment management costs.

**h Charitable activities**

Costs of Charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

**i Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is provided on fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment:	25% per annum on cost
Office equipment:	20% per annum on cost
Office furniture:	10% per annum on cost

**j Fixed asset investments**

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value (mid market price) 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. The charity does not acquire put options, derivatives or other complex financial instruments.

**k 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 the sale proceeds and opening market value (or 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).

**l Debtors**

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

**m Cash at bank and in hand**

Cash at bank and in hand includes cash and cash on deposit.

**n Liabilities**

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

**o Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are recognised at amortised cost, except for investments which are measured at fair value with changes recognised on the Statement of Financial Activities.

**p Leases**

Commitments in respect to rent and other charges paid under operating leases are shown in the notes to the accounts. Costs are recognised in the SOFA on a straight line basis over the lease term.

**2. INCOME FROM INVESTMENTS**

	<u>2023</u>	<u>2022</u>
Income from listed investments	163,126	157,581
Interest received on cash deposits	1,863	328
	<u>£ 164,989</u>	<u>£ 157,909</u>

All investment income is unrestricted.

**3. EXPENDITURE ON RAISING FUNDS**

	<u>2023</u>	<u>2022</u>
Investment management costs	642	755
Unrestricted funds	34,500	34,604
Endowment funds	<u>£ 35,142</u>	<u>£ 35,359</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. ANALYSIS OF CHARITABLE EXPENDITURE**

The charity undertook no direct charitable activities but awarded grants to a number of individuals and institutions in furtherance of its charitable activities. All grants approved are subject to the recipient fulfilling certain conditions. The amount payable in the year comprises:

<u>Object/activity per Trustees' report</u>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 2023</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching	3	-	-	25,000	(1,945)	1,457	24,512
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	2	8,000	-	-	-	971	8,971
d) Teaching resources	14	85,272	-	-	-	6,800	92,072
e) Financial assistance	43	-	-	66,728	(4,080)	20,888	83,536
	<u>62</u>	<u>£ 93,272</u>	<u>£ -</u>	<u>£ 91,728</u>	<u>£ (6,025)</u>	<u>£ 30,116</u>	<u>£ 209,091</u>

<u>Object/activity per Trustees' report</u>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 2022</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (1)	1	-	-	2,500	-	634	3,134
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	-	-	-	-	-	-	-
d) Teaching resources	9	90,026	-	-	-	5,705	95,731
e) Financial assistance	39	-	-	45,068	(1,500)	24,719	68,287
	<u>49</u>	<u>£ 90,026</u>	<u>£ -</u>	<u>£ 47,568</u>	<u>£ (1,500)</u>	<u>£ 31,058</u>	<u>£ 167,152</u>

All expenditure on charitable activities was from unrestricted funds in 2022 and 2023.

The largest institutional grants made in 2023 were:

- d) Teaching resources  
£68,000 to the Salisbury Diocesan Board of Education to support the employment of the Diocesan RE Adviser and SIAMS (Statutory Inspection of Anglican and Methodist Schools) manager and the development of the work of the School Effectiveness Advisers.

The REC (Religious Education Council) received £7,000 as a contribution towards the CEO's and assistant's salary over 3 years. Encounter Christianity received £2,500 towards increased staff so that they can provide RE lessons to schools in Bristol..

- c) Chaplaincy

The Bridge Youth Project received £5,000 for training and upskilling of their chaplains. St Laurence School, Bradford on Avon, received £3,000 for their Chaplaincy programme.

The balance of institutional grants was made up of 11 grants totalling £7,772.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

## 5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS

The breakdown of support costs and how these were allocated between governance (5%) and other support costs (95%) is shown in the table below.

	<u>Basis of allocation</u>	<u>Other support costs</u>	<u>Governance costs</u>	<u>Total 2023</u>	<u>Total 2022</u>
Staff costs	Staff time	18,144	955	19,099	17,968
Staff recruitment	Staff time	602	32	634	-
Office premises costs	Staff time	2,877	151	3,028	5,299
Office administrative costs	Staff time	1,484	78	1,562	2,569
Legal and professional costs	Staff time	750	40	790	1,090
Depreciation	Staff time	-	-	-	-
		<u>£ 23,857</u>	<u>£ 1,256</u>	<u>£ 25,113</u>	<u>£ 26,926</u>

### GOVERNANCE COSTS

		<u>2023</u>	<u>2022</u>
Accountants' remuneration	for accountancy services	2,064	1,926
	for independent examination	2,064	1,926
Cost of meetings		875	280
Support costs (5%)		1,256	1,346
		<u>£ 6,259</u>	<u>£ 5,478</u>

### TOTAL SUPPORT COSTS

	<u>2023</u>	<u>2022</u>
Other support costs	23,857	25,580
Governance costs	6,259	5,478
	<u>£ 30,116</u>	<u>£ 31,058</u>

The total support cost attributable to charitable activities (grants payable) is apportioned pro rata by the number of grants awarded per category of grant as shown in note 4.

## 6. ANALYSIS OF STAFF COSTS

	<u>2023</u>	<u>2022</u>
Salaries	19,099	17,968
Social security costs	-	-
	<u>£ 19,099</u>	<u>£ 17,968</u>

The average number of employees during the year was 2 (2022 - 2).

No employees had emoluments above £60,000 in 2023 or 2022.

The day to day operations of the charity is delegated by the Trustees to the Clerk who is considered to be the key management person. The total cost of key management personnel during the year was £11,949.

Trustees received no remuneration or benefits (2022 - nil). Amounts reimbursed in the year amounted to £Nil (2022 - nil).

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>7. TANGIBLE FIXED ASSETS</b>	Computer Equipment	Office Furniture	Office Equipment	Total
<b>Cost</b>				
At 1 January 2023	-	173	418	591
At 31 December 2023	-	173	418	591
<b>Depreciation</b>				
At 1 January 2023	-	173	418	591
At 31 December 2023	-	173	418	591
<b>Net Book Value</b>				
At 31 December 2023	£ -	£ -	£ -	£ -
At 1 January 2023	£ -	£ -	£ -	£ -
<b>8. FIXED ASSET INVESTMENTS</b>				
	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
<b>Listed Investments</b>	2023	2022	2023	2022
Market value at 1 January	5,793,402	6,552,925	157,284	166,527
Additions to investments at cost	969,894	1,324,166	70,667	48,189
Disposals at carrying value	(1,013,570)	(1,448,700)	(106,829)	(45,689)
Net gain/(loss) on revaluation	293,167	(634,989)	4,556	(11,743)
Market value at 31 December	£ 6,042,893	£ 5,793,402	£ 125,678	£ 157,284
Historical cost as at 31 December	£ 4,914,077	£ 4,875,390	£ 106,062	£ 143,130
	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
<b>Cash with Investment Managers</b>	2023	2022	2023	2022
Held at 1 January	23,490	116,063	45,585	54,024
Investment income	-	-	170,481	157,660
Proceeds from sale of investments	1,014,649	1,266,711	108,922	42,860
Other investment receipts (redemption proceeds, equalisation etc)	637	-	92	-
Expended on investment purchases	(976,260)	(1,323,917)	(70,953)	(48,189)
Investment management charges	(34,279)	(35,367)	(670)	(770)
Transferred to general bank account			(206,000)	(160,000)
Held at 31 December	£ 28,237	£ 23,490	£ 47,457	£ 45,585
Viewed as current asset capital cash (transferred to general bank account within 6 months)	-	-	31,157	20,184
Viewed as fixed asset capital cash	£ 28,237	£ 23,490	£ 16,300	£ 25,401
<b>Total Fixed Asset Investments</b>	£ 6,071,130	£ 5,816,892	£ 141,978	£ 182,685
<b>9. DEBTORS AND PREPAYMENTS</b>			2023	2022
Other debtors			-	-
Prepayments			1,435	1,058
			£ 1,435	£ 1,058
<b>10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			2023	2022
Trade creditors			-	-
Accruals and deferred income			13,043	12,735
Taxation and social security			573	564
			£ 13,616	£ 13,299

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. ENDOWMENT FUNDS**

	Balance at 31.12.22	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.23
Main Fund	£ 5,795,416	£ -	£ (34,500)	£ 293,815	£ -	£ 6,054,731
	Balance at 31.12.21	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.22
Main Fund	£ 6,646,998	£ -	£ (34,604)	£ (816,978)	£ -	£ 5,795,416

The Main Fund was established in 1980 from the assets of the College of Sarum St Michael, which was the Church of England's Teacher Training College in The Close, Salisbury.

**12. UNRESTRICTED FUNDS**

	Balance at 31.12.22	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.23
Designated Fund for grants payable in:						
2023	79,220	-	-	-	(79,220)	-
2024	1,785	-	-	-	68,900	70,685
2025	-	-	-	-	68,000	68,000
2026	-	-	-	-	-	-
	81,005	-	-	-	57,680	138,685
General Reserve	137,630	164,989	(209,733)	6,648	(57,680)	41,854
	£ 218,635	£ 164,989	£ (209,733)	£ 6,648	£ -	£ 180,539
	Balance at 31.12.21	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.22
Designated Fund for grants payable in:						
2021	12,415	-	-	-	(12,415)	-
2022	79,110	-	-	-	(79,110)	-
2023	70,000	-	-	-	9,220	79,220
2024	-	-	-	-	1,785	1,785
2025	-	-	-	-	-	-
	161,525	-	-	-	(80,520)	81,005
General Reserve	81,680	157,909	(167,907)	(14,572)	80,520	137,630
	£ 243,205	£ 157,909	£ (167,907)	£ (14,572)	£ -	£ 218,635

The designated funds represent accumulated income set aside for grants approved for payment by 31 December 2025. Transfers are made to/(from) the General Reserve to ensure that sufficient funds are designated for grants payable.

**13. OPERATING LEASES - Land and Buildings**

At 31 December 2023 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
Not later than 1 year	5,193	1,912
Later than 1 year and not later than 5 years	1,992	-
Later than 5 years	-	-
	£ 7,185	£ 1,912

Lease costs expended in the year were £5,643

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**At 31 December 2023**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	6,071,130	141,978	6,213,108
Current asset investments	-	31,157	31,157
Debtors	-	1,435	1,435
Cash at bank and in hand	(7,563)	10,749	3,186
Creditors: amounts falling due within one year	(8,836)	(4,780)	(13,616)
Total net assets	<u>£ 6,054,731</u>	<u>£ 180,539</u>	<u>£ 6,235,270</u>

**At 31 December 2022**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	5,816,892	182,685	5,999,577
Current asset investments	-	20,184	20,184
Debtors	-	1,058	1,058
Cash at bank and in hand	(12,860)	19,391	6,531
Creditors: amounts falling due within one year	(8,616)	(4,683)	(13,299)
Total net assets	<u>£ 5,795,416</u>	<u>£ 218,635</u>	<u>£ 6,014,051</u>

**15. RELATED PARTY TRANSACTIONS**

There were no related party transactions in 2023 or 2022.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**ANNEX**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Comments from Beneficiaries**

Thank you ever so much for the £300 grant that helped me raise money to go to Uganda last July. I had a brilliant time engaging with the children and people working in the schools over in Kanjobe. Thank you very much for your kindness. CB

I would like to thank you, and the governors very much indeed for the generous grant provision from Sarum St. Michael Educational Charity. It made this period of study possible and gave me the opportunity to look into detail - late in my career - at some helpful ministry subjects. It has certainly enhanced my abilities. In addition, this period of study has also improved my confidence as I embark on the last ten years or so of my working life; I am extremely grateful. FM

I cannot stress enough the benefit this has been to my work as a health care practitioner and thank you once again for your assistance in enabling me to undertake this course. SB

Thank you so much for your charity's generosity in helping me to study for and complete the MA, which I really enjoyed and has been, and continues to be, really formative in my ministry. I am being encouraged to carry on with my studies to Doctorate so will let you know if that happens! AE

Thank you, once again, for Sarum St Michael's support for our Holocaust Educational Project. We very much appreciated it! All of the 52 schools in Bath & North East Somerset did, thanks to you, receive a copy of the Education Pack - and many held specialised classes and assemblies about the Holocaust as a result of it. So, thank you! We couldn't have done it without you. BNES

A huge thank you to Sarum St Michael for contributing £1000 towards my studies this academic year. I am extremely grateful for the opportunity to study Old and New Testament, Christian theology and spiritual formation at WTC, along with Biblical Hebrew at the Israel Institute of Biblical Studies. From September 2023, I immediately began to notice a marked sharpening of my ministry both within Hope Chapel and in terms of the content of Biblios (the overview of the Bible course which I have developed). AB

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

England & Wales - Charity number 309456

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# Accounts

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**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

**CHARITY NO: 309456**

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**FLETCHER & PARTNERS  
CHARTERED ACCOUNTANTS  
SALISBURY**

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

The Managing Trustees present this report together with the financial statements of the Charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the Charity Commission Order, the Charities Act 2011 and the 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 (FRS102) - Charities SORP (FRS 102).

<b>Registered Charity Number</b>	309456 ( in England and Wales)
<b>Registered Address</b>	Room 2, Suite 1 Second Floor North Cross Keys House 22 Queen Street, Salisbury SP1 1EY
<b>Governors</b>	
<u>Ex Officio Governors</u>	
The Bishop of Salisbury	The Right Revd Stephen Lake ( from 19 June 2022)
The Acting Bishop of Salisbury	The Right Revd Karen Gorham ( to 19 June 2022)
The Dean of Salisbury	The Very Revd Canon Nicholas Papadopoulos
The Diocesan Director of Education	Mrs J Tubbs
The Diocesan Secretary	Mr D Pain
The Chapter Clerk of Salisbury Cathedral	Mrs J Molnar
<u>Nominative Governors</u>	
Salisbury Diocesan Synod	The Very Revd Dr A Knight (Chairman - Retired 10 February 2022) Revd A Keating (Retired 9 February 2023) Mr J Leigh (Chairman - from 10 February 2022)
Salisbury Diocesan Board of Education	Mrs J A Pitcher (Vice- Chairman) The Revd Professor E Stuart Mrs D Wood
<u>Additional Governors</u>	The Revd F J Dunlop Mr R Sykes (Retired 1 September 2022) Mr T Almond (Appointed 10 February 2022) Ms I Deverill (Appointed 9 February 2023)
<b>Clerk to the Governors</b>	Mr N R Allen
<b>Banker</b>	Lloyds Bank plc 38 Blue Boar Row Salisbury Wiltshire SP1 1DB
<b>Solicitor</b>	Parker Bullen 45 Castle Street Salisbury Wiltshire SP1 3SS
<b>Independent Examiner</b>	Mrs N A Halls FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
<b>Investment Manager</b>	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Sarum St Michael Educational Charity is a Registered Charity founded in 1979 and is regulated under the Charity Commission scheme of 24 January 1980. In June 2004 the Charity Commission gave an order to amend the original scheme, allowing the appointment of two additional Governors and another ex-officio Governor.

The Charity is managed by the Managing Trustees (known as Governors) who comprise five ex-officio Governors (as shown on page 1 of this report) and five nominative Governors consisting of three from the Salisbury Diocesan Board of Education and two from the Synod of the Diocese of Salisbury. The Salisbury Diocesan Board of Education is the Custodian Trustee of the Charity.

The Governors may appoint not more than four additional Governors to hold office for a term of two years. Every appointment shall be made by a resolution of the Governors to be passed at a meeting of their body.

The appointment of governors is undertaken after consultation with both the Diocesan Synod and the Salisbury Diocesan Board of Education. The aim is that the Board of Governors should have as wide a breadth of experience as possible to include religious, educational, legal and financial knowledge.

### **Governors**

Before new Governors are appointed they are invited to attend a Governors' meeting as an observer. In addition they are given a copy of the Charity Commission's Order for the Charity so that they fully understand the conditions and criteria in the Order that they will have to observe. They also receive a copy of the latest annual report and accounts and investment management report.

### **Organisation**

The Managing Trustees meet four or five times a year to determine grants and other expenditure. They review policy, consider financial statements and receive reports by the investment manager.

At each of the Governors' meetings personal, parish, school and corporate grant applications are considered and the decision whether or not to award grants and the level of the award is reached with the consensus of the Governors present. There is a quorum when four Governors are present at the meeting.

Day-to-day management of the Charity is delegated to the Clerk to the Governors, assisted by a secretary/book-keeper. The Chairman of the Governors regularly discusses the management of the Charity with the Clerk.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

(Continued)

### **Policy on Grant-Making**

The Charity pursues its policy by making grants in accordance with its object, normally to those living or studying in the Diocese of Salisbury or an adjoining Diocese, for the public benefit.

Teaching bursaries for students who are intending to specialise in Religious Education (RE) and will take appropriate courses in Primary or Secondary Education are considered every year.

The Charity has its own website and invites applications for grants by that means as well as through other publicity. All applicants must complete a standard form. Grants for persons attending educational establishments are continued only if the applicant remains at that establishment. Grants to institutions to fund specific projects or posts are awarded on condition that for the term of the grant a report on the achievements of the project or post is received each year.

### **Risk Management**

The Charity's Managing Trustees have considered the risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The Governors believe that the variability of investment returns constitutes the Charity's main risk. The Governors appointed the current investment manager in 2012 (Investec Wealth & Investment Ltd) and in 2018 conducted an internal formal review of their performance from January 2013 to December 2017. Governors concluded that this had been satisfactory and plan another review in 2023 of performance in the five years ending December 2022, unless circumstances point to the need for an earlier one.

### **OBJECTIVES AND ACTIVITIES**

The object of the Charity is the advancement of education in accordance with the principles and doctrines of the Church of England in one or more of the following ways:

- (a) in the promotion of the education and training of persons who are, or intend to become, engaged as teachers or otherwise in work connected with religious education;
- (b) in the promotion of research in, and development of, religious education;
- (c) in the provision and conduct, or assistance in the provision and conduct, of a chapel and chaplaincy providing for students' religious worship, instruction and care;
- (d) in the promotion of education by the provision of instruction, classes, lectures, books, libraries and reading rooms;
- (e) in making grants to persons in need of financial assistance to enable them to attend an establishment of higher or further education or otherwise to pursue their education;
- (f) and in such ways as the Governors may from time to time determine.

The Charity pursues its objectives by making grants to individuals and institutions such as universities, schools, parishes and other religious establishments. The Charity is an active member of the Religious Education Council (REC) and the Association of Church College Trusts (ACCT), with the aim of supporting national efforts to promote the cause of religious education.

When planning the activities for the year, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit. The Charity's aims are entirely consistent with grants being awarded for the public benefit.

The Trustees' aim in 2022 was to allocate grants so that 45% was for personal grants and bursaries, 50% for corporate grants, 3% for schools and 2% for parishes.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

(Continued)

## **ACHIEVEMENTS AND PERFORMANCE**

Fifty nine applications were received during 2022. Of the forty- four personal applicants, thirty- six were successful. Four of the seven corporate applications were successful. There were six school applications and nil parish applications, five of the school applications were successful.

The Charity approved new grants totalling £125,089 in the year. Of the grants approved in 2022, £3,070 due for payment in 2022 were deferred to 2023. During 2022 the Charity paid grants totalling £137,594 (2021: £162,501) and grants of £1,500 were refunded (2021: £5,566).

The division of grants paid between recipients differed from the proposed target and worked out at 33.9% for personal applicants (including one channelled through Winchester University), 65.4% for corporate applications, 0.8% for schools and 0.0% for parishes. The analysis of grants is shown in note 4 to the accounts.

A selection of comments from beneficiaries is annexed.

One trustee attended the ACCT Horizons Seminar in March 2022, focussing on the impact funders want to make on religious education (RE).

## **FINANCIAL REVIEW**

The Charity is reliant on the income from its investments. Total investment income for the year was £157,909 (2021: £163,001).

The investment management costs for 2022 were £35,359 (2021: £37,113), of which £34,604 related to endowments (2021: £36,295). Administration and premises costs were £26,926, of which £25,580 (95%) were allocated to other support costs and the balance £1,346 to governance costs, which in all totalled £5,478 for 2022 (2021: £6,627). Other support costs and governance costs were then allocated to charitable activities, giving a total of £167,152 for the cost of grants payable (2021: £188,608).

Total expenditure was £202,511, of which £34,604 related to endowment funds, and the net expenditure for the year was £44,602 (2021: net expenditure of £62,720). However, investment losses for the year were £831,550 (2021: gains of £612,062), making a net movement in funds for the year a £876,152 deficit (2021: £549,342 surplus).

At the end of the year the net assets of the Charity were £6,014,051 (2021: £6,890,203).

Grants approved in 2022 and earlier years for payment in 2022, but deferred to 2022, totalled £3,070. Grants approved for payment in 2023 totalled £76,150, in 2024 £1,785. This gave a total of £81,005 approved but not paid at the end of the year. As is usual policy, these future years' grants have been designated for payment from accumulated income, which has been set aside in a designated fund for grants payable in 2023 to 2025.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

(Continued)

### **Investment Policy and Performance**

Investec has been instructed to manage the main portfolio (Endowment Fund) to enhance the real value of the capital and income of the Fund and to aim for a target return of RPI plus 3%, net of fees. The charity's aim is to sustain the income stream in the region of £160,000 (as at end 2011) in real terms.

The year was an exceptionally poor one for markets with, unusually, equities and bonds performing badly at the same time. Income for 2022 fell below the target of £160,000 in both absolute and real terms.

The effect was visible in the Charity's main portfolio, which significantly underperformed its benchmark of RPI+3% (producing a return of -10.3% against benchmark of +16.5%). Investment income is forecast at £150,000 to £155,000 for 2023.

At the end of 2022, the main portfolio valued at £5,828,094 consisted of 30.5% UK Equities, 38.3% Overseas Equities, 15.5% Fixed Income, 6.8% Property, 8.5% Alternatives and 0.4% Cash.

The benchmark of RPI+3% aimed to preserve the value of the capital in line with inflation, while generating 3% income to award in grants. However, RPI has been discredited for some time as a measure of inflation. It has generally exceeded CPI by about 1% annually and to achieve a benchmark based on RPI entailed taking a slightly higher level of risk. Most charities now use the Consumer Prices Index (CPI). Having taken advice from Investec, Governors decided at their first meeting in 2023 to change the benchmark with immediate effect to CPI+3%.

Investec has also been instructed to manage the smaller accumulated income portfolio. Their objective is to enhance the value of the capital and income of the fund with the avoidance of undue risk as the fund will be drawn down and spent when suitable opportunities arise. At the end of 2022 the portfolio valued at £203,121 consisted of 35.8% UK Equities, 41.8% Fixed Income and 22.4% Cash.

Investec has reported that the total return on the accumulated income portfolio was -5.82% net of fees. This compares with the benchmark return of -11.05% (Bespoke benchmark comprising 45% Fixed Interest, 40% UK Equities and 15% Cash).

The investment manager has been instructed to adhere to the ethical investment policy of the Church of England, and to favour companies that display a positive approach to governance and sustainability.

### **Reserves Policy**

The Charity has a general reserve of accumulated income the level of which was reviewed by the Governors in April 2016. It was decided that the general reserve should cover a minimum of one year's future support and governance costs. However, this reserve is after transfers of accumulated income to the designated fund for the grants approved for payment by the end of the next three financial years.

The total reserves at the 31 December 2022 were £218,635 (2021:£243,205). Of this, the general reserve at 31 December 2022 stood at £137,630 (2021: £81,680).

The inflation-adjusted value of the endowed capital funds whose original value was £907,698 at 24 January 1980 was £5,261,086 at December 2022. This compares with the market value of £5,816,892 at 31 December 2022.

### **PLANS FOR FUTURE PERIODS**

The Governors have set a total grant budget for 2023 of £180,550 exclusive of support costs. This includes £79,220 for grants already approved for payment in 2023 plus deferred 2022 grants, and £102,000 of new grants.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

(Continued)

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The purpose of this statement is to distinguish the trustees' responsibilities for the accounts from those of the independent examiners, as stated in their report.

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 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;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- 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 accounts on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue to meet its objectives.

The trustees are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the Charity's financial position at any time, and to enable the trustees to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 27 April 2023 and signed on their behalf by:

J Leigh

Chairman of Trustees

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**SARUM ST MICHAEL EDUCATIONAL CHARITY**

Page 7

I report to the trustees on my examination of the accounts of the Sarum St Michael Educational Charity (the Charity) for the year ended 31 December 2022, which are set out on pages 8 to 16..

**Responsibilities and basis of report**

As the charity 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; 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.

Nicola A Halls

Mrs N A Halls FCA  
Fletcher & Partners Chartered Accountants  
Crown Chambers  
Bridge Street Salisbury  
Wiltshire  
SP1 2LZ

Date: 2 May 2023

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2022</u>	<u>Total 2021</u>
<b>INCOME FROM:</b>					
Investments	2	157,909	-	157,909	163,001
<b>TOTAL</b>		<u>157,909</u>	<u>-</u>	<u>157,909</u>	<u>163,001</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Investment management costs	3	755	34,604	35,359	37,113
<b>Charitable activities:</b>					
Grants payable	4	167,152	-	167,152	188,608
<b>TOTAL</b>		<u>167,907</u>	<u>34,604</u>	<u>202,511</u>	<u>225,721</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS:</b>					
		(9,998)	(34,604)	(44,602)	(62,720)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>					
Realised gains/(losses) on investments		(2,829)	(181,989)	(184,818)	44,007
Unrealised gains/(losses) on investments	8	(11,743)	(634,989)	(646,732)	568,055
<b>NET INCOME/(EXPENDITURE)</b>		<u>(24,570)</u>	<u>(851,582)</u>	<u>(876,152)</u>	<u>549,342</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(24,570)	(851,582)	(876,152)	549,342
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	11, 12	<u>243,205</u>	<u>6,646,998</u>	<u>6,890,203</u>	<u>6,340,861</u>
Total funds carried forward	11, 12	<u>£ 218,635</u>	<u>£ 5,795,416</u>	<u>£ 6,014,051</u>	<u>£ 6,890,203</u>

The statement of financial activities includes all gains and losses recognised in the years 2022 and 2021.

The notes on pages 10 to 16 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

2021 COMPARATIVES ONLY

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2021</u>	<u>Total 2020</u>
<b>INCOME FROM:</b>					
Investments	2	163,001	-	163,001	150,478
<b>TOTAL</b>		<u>163,001</u>	<u>-</u>	<u>163,001</u>	<u>150,478</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Investment management	3	818	36,295	37,113	34,491
<b>Charitable activities:</b>					
Grants payable	4	188,608	-	188,608	211,143
<b>TOTAL</b>		<u>189,426</u>	<u>36,295</u>	<u>225,721</u>	<u>245,634</u>
<b>NET INCOME/(EXPENDITURE)</b>		(26,425)	(36,295)	(62,720)	(95,156)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>					
Realised gains/(losses) on investments		(2,016)	46,023	44,007	(199,699)
Unrealised gains/(losses) on inv	8	9,288	558,767	568,055	308,666
<b>NET INCOME/(EXPENDITURE)</b>		<u>(19,153)</u>	<u>568,495</u>	<u>549,342</u>	<u>13,811</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(19,153)	568,495	549,342	13,811
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	11, 12	<u>262,358</u>	<u>6,078,503</u>	<u>6,340,861</u>	<u>6,327,050</u>
Total funds carried forward	11, 12	<u>£ 243,205</u>	<u>£ 6,646,998</u>	<u>£ 6,890,203</u>	<u>£ 6,340,861</u>

The statement of financial activities includes all gains and losses recognised in the years 2021 and 2020.

The notes on pages 10 to 16 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>FIXED ASSETS:</b>			
Tangible assets	7	-	-
Investments			
Endowment Funds	8	5,816,892	6,668,988
Unrestricted Funds	8	<u>182,685</u>	<u>166,527</u>
Total fixed assets		<u>5,999,577</u>	<u>6,835,515</u>
<b>CURRENT ASSETS:</b>			
Investments			
Unrestricted Funds	8	20,184	54,024
Debtors	9	1,058	1,859
Cash at bank and in hand		<u>6,531</u>	<u>12,689</u>
Total current assets		27,773	68,572
<b>LIABILITIES:</b>			
CREDITORS: amounts falling due within one year	10	<u>(13,299)</u>	<u>(13,884)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>14,474</u>	<u>54,688</u>
<b>TOTAL NET ASSETS</b>		<u>£ 6,014,051</u>	<u>£ 6,890,203</u>
<b>THE FUNDS OF THE CHARITY:</b>			
Endowment Funds	11	5,795,416	6,646,998
Unrestricted Funds	12	<u>218,635</u>	<u>243,205</u>
<b>TOTAL CHARITY FUNDS</b>	14	<u>£ 6,014,051</u>	<u>£ 6,890,203</u>
		-	-

Approved by the Managing Trustees on 27 April 2023

and signed on their behalf by :

J Leigh

Chairman of Trustees

## 1. ACCOUNTING POLICIES

### a **Basis of preparing the financial statements**

The financial statements of the Charity are 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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (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'. This 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. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

### b **Preparation of the accounts on a going concern basis**

The adverse global economic events had a financial impact on the Charity in the year to 31 December 2022, with investment income and values reduced in comparison with the previous year. The number of grants paid fell in the year. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material judgements that affect the accounts. The main source of estimation uncertainty for 2023 relates to the value of investments and investment income.

### c **Fund structure**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes (see note 12).

The endowment fund represents those assets which must be held permanently by the Charity. Income arising on the endowment fund is to be used in accordance with the objects of the Charity and is included as unrestricted income. Any realised or unrealised capital gains or losses arising on the investments form part of the fund.

### d **Income**

Income is accounted for in the period in which the Charity is entitled to the income, it is probable that the income will be received and the amount of income can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest is recognised when receivable.

### e **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included on an accruals basis and includes VAT where charged.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

### f **Allocation of support costs and governance 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. These costs include costs related to statutory audit or independent examination together with an apportionment of support costs.

Governance and other support costs relating to charitable activities have been apportioned based on the number of grants awarded per category of grant in recognition that the administrative burden of awarding and monitoring each grant is broadly equivalent.

The allocation of support and governance costs is analysed in note 5.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. ACCOUNTING POLICIES (Continued)**

**g Expenditure on raising funds**

Expenditure on raising funds comprise investment management costs.

**h Charitable activities**

Costs of Charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

**i Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is provided on fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment:	25% per annum on cost
Office equipment:	20% per annum on cost
Office furniture:	10% per annum on cost

**j Fixed asset investments**

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value (mid market price) 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. The charity does not acquire put options, derivatives or other complex financial instruments.

**k 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 the sale proceeds and opening market value (or 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).

**l Debtors**

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

**m Cash at bank and in hand**

Cash at bank and in hand includes cash and cash on deposit.

**n Liabilities**

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

**o Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are recognised at amortised cost, except for investments which are measured at fair value with changes recognised on the Statement of Financial Activities.

**p Leases**

Commitments in respect to rent and other charges paid under operating leases are shown in the notes to the accounts. Costs are recognised in the SOFA on a straight line basis over the lease term.

**2. INCOME FROM INVESTMENTS**

	<u>2022</u>	<u>2021</u>
Income from listed investments	157,581	163,001
Interest received on cash deposits	328	-
	<u>£ 157,909</u>	<u>£ 163,001</u>

All investment income is unrestricted.

**3. EXPENDITURE ON RAISING FUNDS**

	<u>2022</u>	<u>2021</u>
Investment management costs	755	818
Unrestricted funds	34,604	36,295
Endowment funds	<u>£ 35,359</u>	<u>£ 37,113</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. ANALYSIS OF CHARITABLE EXPENDITURE**

The charity undertook no direct charitable activities but awarded grants to a number of individuals and institutions in furtherance of its charitable activities. All grants approved are subject to the recipient fulfilling certain conditions. The amount payable in the year comprises:

<u>Object/activity per Trustees' report</u>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 2022</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (1)	1	-	-	2,500	-	634	3,134
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	-	-	-	-	-	-	-
d) Teaching resources	9	90,026	-	-	-	5,705	95,731
e) Financial assistance	39	-	-	45,068	(1,500)	24,719	68,287
	<u>49</u>	<u>£ 90,026</u>	<u>£ -</u>	<u>£ 47,568</u>	<u>£ (1,500)</u>	<u>£ 31,058</u>	<u>£ 167,152</u>

<u>Object/activity per Trustees' report</u>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 2021</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (6)	2	-	-	15,000	-	546	15,546
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	-	-	-	-	-	-	-
d) Teaching resources	8	90,461	(330)	-	-	4,369	94,500
e) Financial assistance	48	-	-	57,040	(5,236)	26,758	78,562
	<u>58</u>	<u>£ 90,461</u>	<u>£ (330)</u>	<u>£ 72,040</u>	<u>£ (5,236)</u>	<u>£ 31,673</u>	<u>£ 188,608</u>

All expenditure on charitable activities was from unrestricted funds in 2021 and 2022.

The largest institutional grants made in 2022 were:

- d) Teaching resources  
£68,000 to the Salisbury Diocesan Board of Education - £68,000 to support the employment of the Diocesan RE Adviser and SIAMS (Statutory Inspection of Anglican and Methodist Schools) manager and the development of the work of the School Effectiveness Advisers.

The REC (Religion Education Council) received £10,000 as a contribution towards the CEO's and assistant's salary over 3 years. The Morning Star Trust, a Christian sailing charity, received £1,200 contribution to various voyages for youngsters in 2023.

The Bridge Youth Project received £5,000 for training and upskilling of their chaplains.

Sarum College received £4,261 match funding for digital library resources.

The Lantern Church received £500 funding for input by the Christian charity TLG (Transforming Lives for Good), The balance of institutional grants was made up of 3 grants totalling £1,065.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

## 5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS

The breakdown of support costs and how these were allocated between governance (5%) and other support costs (95%) is shown in the table below.

	<u>Basis of allocation</u>	<u>Other support costs</u>	<u>Governance costs</u>	<u>Total 2022</u>	<u>Total 2021</u>
Staff costs	Staff time	17,070	898	17,968	17,527
Office premises costs	Staff time	5,034	265	5,299	5,744
Office administrative costs	Staff time	2,441	128	2,569	1,810
Legal and professional costs	Staff time	1,035	55	1,090	1,283
Depreciation	Staff time	-	-	-	-
		<u>£ 25,580</u>	<u>£ 1,346</u>	<u>£ 26,926</u>	<u>£ 26,364</u>

### GOVERNANCE COSTS

		<u>2022</u>	<u>2021</u>
Accountants' remuneration	for accountancy services	1,926	2,649
	for independent examination	1,926	2,649
Cost of meetings		280	11
Support costs (5%)		1,346	1,318
		<u>£ 5,478</u>	<u>£ 6,627</u>

### TOTAL SUPPORT COSTS

	<u>2022</u>	<u>2021</u>
Other support costs	25,580	25,046
Governance costs	5,478	6,627
	<u>£ 31,058</u>	<u>£ 31,673</u>

The total support cost attributable to charitable activities (grants payable) is apportioned pro rata by the number of grants awarded per category of grant as shown in note 4.

## 6. ANALYSIS OF STAFF COSTS

	<u>2022</u>	<u>2021</u>
Salaries	17,968	17,527
Social security costs	-	-
	<u>£ 17,968</u>	<u>£ 17,527</u>

The average number of employees during the year was 2 (2021 - 2).  
No employees had emoluments above £60,000 in 2022 or 2021.

The day to day operations of the charity is delegated by the Trustees to the Clerk who is considered to be the key management person. The total cost of key management personnel during the year was £10,954.

Trustees received no remuneration or benefits (2021 - nil). Amounts reimbursed in the year amounted to £Nil (2021: £11 - 1 trustees).

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. TANGIBLE FIXED ASSETS**

	Computer Equipment	Office Furniture	Office Equipment	Total
<b>Cost</b>				
At 1 January 2022	908	238	418	1,564
Additions	-	-	-	-
Disposals	(908)	(65)	-	(973)
At 31 December 2022	<u>-</u>	<u>173</u>	<u>418</u>	<u>591</u>
<b>Depreciation</b>				
At 1 January 2022	908	238	418	1,564
Charge for the year	-	-	-	-
Accumulated depreciation	(908)	(65)	-	(973)
At 31 December 2022	<u>-</u>	<u>173</u>	<u>418</u>	<u>591</u>
<b>Net Book Value</b>				
At 31 December 2022	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
At 1 January 2022	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

**8. FIXED ASSET INVESTMENTS**

	Endowment Funds		Unrestricted Funds	
	2022	2021	2022	2021
<b>Listed Investments</b>				
Market value at 1 January	6,552,925	6,063,962	166,527	200,344
Additions to investments at cost	1,324,166	912,877	48,189	15,029
Disposals at carrying value	(1,448,700)	(982,681)	(45,689)	(58,134)
Net gain/(loss) on revaluation	(634,989)	558,767	(11,743)	9,288
Market value at 31 December	<u>£ 5,793,402</u>	<u>£ 6,552,925</u>	<u>£ 157,284</u>	<u>£ 166,527</u>
Historical cost as at 31 December	<u>£ 4,875,390</u>	<u>£ 4,663,190</u>	<u>£ 143,130</u>	<u>£ 134,301</u>
<b>Cash with Investment Managers</b>				
	2022	2021	2022	2021
Held at 1 January	116,063	35,808	54,024	40,926
Investment income	-	-	157,660	162,820
Proceeds from sale of investments	1,266,711	1,027,286	42,860	56,118
Other investment receipts (redemption proceeds, equalisation etc)	-	1,418	-	-
Expended on investment purchases	(1,323,917)	(912,694)	(48,189)	(15,029)
Investment management charges	(35,367)	(35,755)	(770)	(811)
Transferred to general bank account			(160,000)	(190,000)
Held at 31 December	<u>£ 23,490</u>	<u>£ 116,063</u>	<u>£ 45,585</u>	<u>£ 54,024</u>
Viewed as current asset capital cash (transferred to general bank account within 6 months)	-	-	20,184	54,024
Viewed as fixed asset capital cash	<u>£ 23,490</u>	<u>£ 116,063</u>	<u>£ 25,401</u>	<u>£ -</u>
<b>Total Fixed Asset Investments</b>	<u>£ 5,816,892</u>	<u>£ 6,668,988</u>	<u>£ 182,685</u>	<u>£ 166,527</u>

**9. DEBTORS AND PREPAYMENTS**

	2022	2021
Other debtors	-	1,395
Prepayments	1,058	464
	<u>£ 1,058</u>	<u>£ 1,859</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
Trade creditors	-	-
Accruals and deferred income	12,735	13,316
Taxation and social security	564	568
	<u>£ 13,299</u>	<u>£ 13,884</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. ENDOWMENT FUNDS**

	Balance at 31.12.21	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.22
Main Fund	£ 6,646,998	£ -	£ (34,604)	£ (816,978)	£ -	£ 5,795,416
	Balance at 31.12.20	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.21
Main Fund	£ 6,078,503	£ -	£ (36,295)	£ 604,790	£ -	£ 6,646,998

The Main Fund was established in 1980 from the assets of the College of Sarum St Michael, which was the Church of England's Teacher Training College in The Close, Salisbury.

**12. UNRESTRICTED FUNDS**

	Balance at 31.12.21	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.22
Designated Fund for grants payable in:						
2020	-	-	-	-	-	-
2021	12,415	-	-	-	(12,415)	-
2022	79,110	-	-	-	(79,110)	-
2023	70,000	-	-	-	9,220	79,220
2024	-	-	-	-	1,785	1,785
2025	-	-	-	-	-	-
	161,525	-	-	-	(80,520)	81,005
General Reserve	81,680	157,909	(167,907)	(14,572)	80,520	137,630
	£ 243,205	£ 157,909	£ (167,907)	£ (14,572)	£ -	£ 218,635

	Balance at 31.12.20	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.21
Designated Fund for grants payable in:						
2020	11,218	-	-	-	(11,218)	-
2021	106,497	-	-	-	(94,082)	12,415
2022	79,280	-	-	-	(170)	79,110
2023	69,100	-	-	-	900	70,000
2024	-	-	-	-	-	-
	266,095	-	-	-	(104,570)	161,525
General Reserve	(3,737)	163,001	(189,426)	7,272	104,570	81,680
	£ 262,358	£ 163,001	£ (189,426)	£ 7,272	£ -	£ 243,205

The designated funds represent accumulated income set aside for grants approved for payment by 31 December 2025. Transfers are made to/(from) the General Reserve to ensure that sufficient funds are designated for grants payable.

**13. OPERATING LEASES - Land and Buildings**

At 31 December 2022 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<u>2022</u>	<u>2021</u>
Not later than 1 year	1,912	4,950
Later than 1 year and not later than 5 years	-	1,912
Later than 5 years	-	-
	£ 1,912	£ 6,862

Lease costs expensed in the year were £5,306

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**At 31 December 2022**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	5,816,892	182,685	5,999,577
Current asset investments	-	20,184	20,184
Debtors	-	1,058	1,058
Cash at bank and in hand	(12,860)	19,391	6,531
Creditors: amounts falling due within one year	(8,616)	(4,683)	(13,299)
Total net assets	<u>£ 5,795,416</u>	<u>£ 218,635</u>	<u>£ 6,014,051</u>

**At 31 December 2021**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	6,668,988	166,527	6,835,515
Current asset investments	-	54,024	54,024
Debtors	-	1,859	1,859
Cash at bank and in hand	(12,611)	25,300	12,689
Creditors: amounts falling due within one year	(9,379)	(4,505)	(13,884)
Total net assets	<u>£ 6,646,998</u>	<u>£ 243,205</u>	<u>£ 6,890,203</u>

**15. RELATED PARTY TRANSACTIONS**

There were no related party transactions in 2022 or 2021.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**ANNEX**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Comments from Beneficiaries**

I wanted to express my huge thanks to Sarum St Michael for supporting my studies through a grant. Not only has the financial aspect made my studies possible but the knowledge of being supported has been a significant encouragement throughout these strange times we find ourselves living in. *CR*

I am just writing to say a massive thank you to Sarum St Michael Educational Charity for supporting me in my venture to become a veterinary surgeon. I have my graduation ceremony on the Thursday 14th July, and start my veterinary adventures on the 1st August, working as a small animal veterinarian. Without your support to help with my tuition fees, I would not have been able to undertake my life-long ambition to become a veterinarian surgeon and again, I would like to say thank you. *CB*

Thanks to your kind grant I was able to attend the Sarum summer school last week studying Bonhoeffer's 'Letters and papers from prison' as part of my current sabbatical. I found it a tremendously valuable time. Thank you very much for making it possible for me to attend. *TY*

I wanted to express my warmest thanks for your generous grant to cover the fees for my MA in Theology, Imagination and Culture at Sarum College. I am pleased to say that I have now finished and that I received a distinction for my dissertation on human flourishing and the culture of whiteness in Church of England Primary Schools. This work is already having a direct impact on the 150 schools I work with. Again I am extremely grateful to you for making this course possible, I thoroughly enjoyed my studies at Sarum College and would not have been able to pursue this without your support. *JK*

I am very grateful to the Sarum St Michael bursary for their funding. I am a mature student who spent nearly 20 years as a church-based youth worker in both Anglican and Baptist settings, so I hoped that I would have the transferable skills to move into secondary RE teaching. Even so, taking a year out of work to retrain was definitely a leap of faith and as I live in a rural location one of the main expenses has been getting to and from university and school placements. I am very grateful to the Sarum St Michael bursary for their very practical assistance which has enabled me to focus on my studies and prepare lessons without additional financial worries getting in the way. *RE*

My studies have significantly benefited for the Sarum St Michael bursary this academic year. This money has helped me stay on top of my bills and continue to put fuel in my car to get to the school. The rising cost of living has been increasingly difficult during this time and the money from the charity has relieved some financial pressure. Moreover, pre-Christmas the income allowed me to purchase vital textbooks, which I would not otherwise have been able to buy. This scheme is a very kind act, which I am sure enables many student teachers, like myself, to reach their full potential. *FM*

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

England & Wales - Charity number 309456

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# Accounts

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**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

**CHARITY NO: 309456**

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**FLETCHER & PARTNERS  
CHARTERED ACCOUNTANTS  
SALISBURY**

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The Managing Trustees present this report together with the financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the Charity Commission Order, the Charities Act 2011 and the 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 (FRS102) - Charities SORP (FRS 102).

<b>Registered Charity Number</b>	309456 ( in England and Wales)
<b>Registered Address</b>	Room 2, Suite 1 Second Floor North Cross Keys House 22 Queen Street, Salisbury SP1 1EY
<b>Governors</b>	
<u>Ex Officio Governors</u>	
The Acting Bishop of Salisbury	The Right Revd Karen Gorham
The Dean of Salisbury	The Very Revd Canon Nicholas Papadopoulos
The Diocesan Director of Education	Mrs J Tubbs
The Diocesan Secretary	Mr D Pain
The Chapter Clerk of Salisbury Cathedral	Mrs J Molnar
<u>Nominative Governors</u>	
Salisbury Diocesan Synod	The Very Revd Dr A Knight (Chairman - Retired 10 February 2022)
	Revd A Keating
Salisbury Diocesan Board of Education	Mrs J A Pitcher (Vice- Chairman) The Revd Professor E Stuart Mrs D Wood
<u>Additional Governors</u>	
	The Revd F J Dunlop Mr R Sykes Mr J Leigh (Chairman - WEF 10 February 2022) Mr T Almond (Appointed - 10 February 2022)
<b>Clerk to the Governors</b>	Mr N R Allen
<b>Banker</b>	Lloyds Bank plc 38 Blue Boar Row Salisbury Wiltshire SP1 1DB
<b>Solicitor</b>	Parker Bullen 45 Castle Street Salisbury Wiltshire SP1 3SS
<b>Independent Examiner</b>	Mrs N A Halls FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
<b>Investment Manager</b>	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Sarum St Michael Educational Charity is a Registered Charity founded in 1979 and is regulated under the Charity Commission scheme of 24 January 1980. In June 2004 the Charity Commission gave an order to amend the original scheme, allowing the appointment of two additional Governors and another ex-officio Governor.

The Charity is managed by the Managing Trustees (known as Governors) who comprise five ex-officio Governors (as shown on page 1 of this report) and five nominative Governors consisting of three from the Salisbury Diocesan Board of Education and two from the Synod of the Diocese of Salisbury. The Salisbury Diocesan Board of Education is the Custodian Trustee of the Charity.

The Governors may appoint not more than four additional Governors to hold office for a term of two years. Every appointment shall be made by a resolution of the Governors to be passed at a meeting of their body.

The appointment of governors is undertaken after consultation with both the Diocesan Synod and the Salisbury Diocesan Board of Education. The aim is that the Board of Governors should have as wide a breadth of experience as possible to include religious, educational, legal and financial knowledge.

### **Governors**

Before new Governors are appointed they are invited to attend a Governors' meeting as an observer. In addition they are given a copy of the Charity Commission's Order for the Charity so that they fully understand the conditions and criteria in the Order that they will have to observe. They also receive a copy of the latest annual report and accounts and investment management report.

### **Organisation**

The Managing Trustees meet four or five times a year to determine grants and other expenditure. They review policy, consider financial statements and receive reports by the investment manager.

At each of the Governors' meetings personal, parish, school and corporate grant applications are considered and the decision whether or not to award grants and the level of the award is reached with the consensus of the Governors present. There is a quorum when four Governors are present at the meeting.

Day-to-day management of the Charity is delegated to the Clerk to the Governors, assisted by a secretary/book-keeper. The Chairman of the Governors regularly discusses the management of the Charity with the Clerk.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
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(Continued)

### **Policy on Grant-Making**

The Charity pursues its policy by making grants in accordance with its object, normally to those living or studying in the Diocese of Salisbury or an adjoining Diocese, for the public benefit.

Teaching bursaries for students who are intending to specialise in Religious Education (RE) and will take appropriate courses in Primary or Secondary Education are considered every year.

The Charity has its own website and invites applications for grants by that means as well as through other publicity. All applicants must complete a standard form. Grants for persons attending educational establishments are continued only if the applicant remains at that establishment. Grants to institutions to fund specific projects or posts are awarded on condition that for the term of the grant a report on the achievements of the project or post is received each year.

### **Risk Management**

The Charity's Managing Trustees have considered the risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The Governors believe that the variability of investment returns constitutes the Charity's main risk. The Governors appointed the current investment manager in 2012 (Investec Wealth & Investment Ltd) and in 2018 conducted an internal formal review of their performance from January 2013 to December 2017. Governors concluded that this had been satisfactory and plan another review in 2023 of performance in the five years ending December 2022, unless circumstances point to the need for an earlier one.

### **OBJECTIVES AND ACTIVITIES**

The object of the Charity is the advancement of education in accordance with the principles and doctrines of the Church of England in one or more of the following ways:

- (a) in the promotion of the education and training of persons who are, or intend to become, engaged as teachers or otherwise in work connected with religious education;
- (b) in the promotion of research in, and development of, religious education;
- (c) in the provision and conduct, or assistance in the provision and conduct, of a chapel and chaplaincy providing for students' religious worship, instruction and care;
- (d) in the promotion of education by the provision of instruction, classes, lectures, books, libraries and reading rooms;
- (e) in making grants to persons in need of financial assistance to enable them to attend an establishment of higher or further education or otherwise to pursue their education;
- (f) and in such ways as the Governors may from time to time determine.

The Charity pursues its objectives by making grants to individuals and institutions such as universities, schools, parishes and other religious establishments. The Charity is an active member of the Religious Education Council (REC) and the Association of Church College Trusts (ACCT), with the aim of supporting national efforts to promote the cause of religious education.

When planning the activities for the year, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit. The Charity's aims are entirely consistent with grants being awarded for the public benefit.

The Trustee's aim in 2021 was to allocate grants so that 45% was for personal grants and bursaries, 50% for corporate grants, 3% for schools and 2% for parishes.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

(Continued)

## **ACHIEVEMENTS AND PERFORMANCE**

Sixty grant applications were received during 2021. Of the fifty- three personal applicants, forty- one were successful. Two of the four corporate applications were successful. There were three school applications and one parish application, all of which were successful.

The Charity approved new grants totalling £83,132 in the year. Of the previously approved grants £12,415 due for payment in 2021 were deferred to 2022. During 2021 the Charity paid grants totalling £162,501 (2020: £185,272) and grants of £5,566 were refunded (2020: £7,470).

The division of grants paid between recipients differed from the proposed target and worked out at 43.8% for personal applicants (including those channelled through Winchester University), 54.9% for corporate applications, 1% for schools and 0.3% for parishes. The analysis of grants is shown in note 4 to the accounts.

A selection of comments from beneficiaries is annexed.

One trustee attended the ACCT Horizons Seminar in March, focussing on the impact funders want to make on religious education (RE).

## **FINANCIAL REVIEW**

The Charity is reliant on the income from its investments. Total investment income for the year was £163,001 (2020 - £150,478).

The investment management costs for 2021 were £37,113 (2020 - £34,491), of which £36,295 related to endowments (2020 - £33,469). Grants paid were £162,501, and grants refunded were £5,566.

Administration and premises costs were £26,364, of which £25,046 (95%) were allocated to other support costs and the balance £1,318 to governance costs, which totalled £6,627 for 2021 (2020 - £5,471). Other support costs and governance costs were then allocated to charitable activities, giving a total of £188,608 for the cost of grants payable (2020 - £211,143).

Total expenditure was £225,721, of which £36,295 related to endowment funds, and the net expenditure for the year was £62,720 (2020 - net expenditure of £95,156). However, investment gains for the year were £612,062 (2020: £108,967), making a net movement in funds for the year of £549,342 surplus (2020: £13,811 surplus).

At the end of the year the net assets of the Charity were £6,890,203 (2020: £6,340,861).

Grants approved in 2021 and earlier years for payment in 2021, but deferred to 2022, totalled £12,415. Grants approved for payment in 2022 totalled £79,110, in 2023 £70,000. This gave a total of £161,525 approved but not paid at the end of the year. As is usual policy, these future years' grants have been designated for payment from accumulated income, which has been set aside in a designated fund for grants payable in 2022 to 2023.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

(Continued)

### **Investment Policy and Performance**

Investec has been instructed to manage the main portfolio (Endowment Fund) to enhance the real value of the capital and income of the Fund and to aim for a target return of RPI plus 3%, net of fees. The charity's aim is to sustain the income stream in the region of £160,000 (as at end 2011) in real terms. This year the income recovered somewhat after the previous year's shortfall owing to the financial impact of the COVID-19 pandemic and repeated lockdowns on businesses worldwide, resulting in cancellation and reduction of activities and dividends in 2020. However, it is still well below the levels achieved pre Covid-19.

At the end of 2021, the main portfolio valued at £6,668,988 consisted of 34.1% UK Equities, 39.2% Overseas Equities, 10.6% Fixed Income, 6.5% Property, 7.7% Alternatives and 1.7% Cash.

Investec has reported that the total return on the main portfolio was 12.06% net of fees. This compares with the benchmark return of 10.19% (RPI + 3%,). The portfolio thus performed well in 2021 as most markets recovered after the economic devastation brought about by the global Covid-19 pandemic.

Investec has also been instructed to manage the smaller accumulated income portfolio. Their objective is to enhance the value of the capital and income of the fund with the avoidance of undue risk as the fund will be drawn down and spent when suitable opportunities arise. At the end of 2021 the portfolio valued at £220,551 consisted of 43.0% UK Equities, 32.5% Fixed Income and 24.5% Cash.

Investec has reported that the total return on the accumulated income portfolio was 6.10% net of fees. This compares with the benchmark return of 4.68% (Bespoke benchmark comprising 45% Fixed Interest, 40% UK Equities and 15% Cash).

The investment manager has been instructed to adhere to the ethical investment policy of the Church of England, and to favour companies that display a positive approach to governance and sustainability.

### **Reserves Policy**

The Charity has a general reserve of accumulated income the level of which was reviewed by the Governors in April 2016. It was decided that the general reserve should cover a minimum of one year's future support and governance costs. However, this reserve is after transfers of accumulated income to the designated fund for the grants approved for payment by the end of the next three financial years.

The total reserves at the 31 December 2021 were £243,205 (2020:£262,358). Of this, the general reserve at 31 December 2021 stood at £81,680 (2020: - £3,737).

The inflation-adjusted value of the endowed capital funds whose original value was £907,698 at 24 January 1980 was £4,637,756 at December 2021. This compares with the market value of £6,668,988 at 31 December 2021.

### **PLANS FOR FUTURE PERIODS**

The Governors have set a total grant budget for 2022 of £180,775, inclusive of support costs, which is £88,000 more than the grants already approved for payment in 2022 plus deferred 2021 grants.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

(Continued)

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The purpose of this statement is to distinguish the trustees' responsibilities for the accounts from those of the independent examiners, as stated in their report.

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 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;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- 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 accounts on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue to meet its objectives.

The trustees are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the Charity's financial position at any time, and to enable the trustees to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 28 April 2022 and signed on their behalf by:

F J Dunlop

Trustee

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**SARUM ST MICHAEL EDUCATIONAL CHARITY**

I report to the trustees on my examination of the accounts of the Sarum St Michael Educational Charity (the Charity) for the year ended 31 December 2021, which are set out on pages 8 to 16..

**Responsibilities and basis of report**

As the charity 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; 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.

Nicola Halls

Mrs N A Halls FCA  
Fletcher & Partners Chartered Accountants  
Crown Chambers  
Bridge Street Salisbury  
Wiltshire  
SP1 2LZ

Date: ..6 June 2022.....

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2021</u>	<u>Total 2020</u>
<b>INCOME FROM:</b>					
Investments	2	163,001	-	163,001	150,478
<b>TOTAL</b>		<u>163,001</u>	<u>-</u>	<u>163,001</u>	<u>150,478</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Investment management costs	3	818	36,295	37,113	34,491
<b>Charitable activities:</b>					
Grants payable	4	188,608	-	188,608	211,143
<b>TOTAL</b>		<u>189,426</u>	<u>36,295</u>	<u>225,721</u>	<u>245,634</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS:</b>					
		(26,425)	(36,295)	(62,720)	(95,156)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>					
Realised gains/(losses) on investments		(2,016)	46,023	44,007	(199,699)
Unrealised gains/(losses) on investments	8	9,288	558,767	568,055	308,666
<b>NET INCOME/(EXPENDITURE)</b>		<u>(19,153)</u>	<u>568,495</u>	<u>549,342</u>	<u>13,811</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(19,153)	568,495	549,342	13,811
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	11, 12	<u>262,358</u>	<u>6,078,503</u>	<u>6,340,861</u>	<u>6,327,050</u>
Total funds carried forward	11, 12	<u>£ 243,205</u>	<u>£ 6,646,998</u>	<u>£ 6,890,203</u>	<u>£ 6,340,861</u>

The statement of financial activities includes all gains and losses recognised in the years 2021 and 2020.

The notes on pages 10 to 16 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>FIXED ASSETS:</b>			
Tangible assets	7	-	-
Investments			
Endowment Funds	8	6,668,988	6,099,770
Unrestricted Funds	8	<u>166,527</u>	<u>200,344</u>
Total fixed assets		<u>6,835,515</u>	<u>6,300,114</u>
<b>CURRENT ASSETS:</b>			
Investments			
Unrestricted Funds	8	54,024	40,926
Debtors	9	1,859	6,878
Cash at bank and in hand		<u>12,689</u>	<u>6,180</u>
Total current assets		68,572	53,984
<b>LIABILITIES:</b>			
CREDITORS: amounts falling due within one year	10	<u>(13,884)</u>	<u>(13,237)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>54,688</u>	<u>40,747</u>
<b>TOTAL NET ASSETS</b>		<u>£ 6,890,203</u>	<u>£ 6,340,861</u>
<b>THE FUNDS OF THE CHARITY:</b>			
Endowment Funds	11	6,646,998	6,078,503
Unrestricted Funds	12	<u>243,205</u>	<u>262,358</u>
<b>TOTAL CHARITY FUNDS</b>	14	<u>£ 6,890,203</u>	<u>£ 6,340,861</u>
		-	

Approved by the Managing Trustees on 28 April 2022.

and signed on their behalf by :

F J Dunlop

Trustee

The notes on pages 10 to 16 form part of these accounts.

## 1. ACCOUNTING POLICIES

### a **Basis of preparing the financial statements**

The financial statements of the Charity are 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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (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'. This 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. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

### b **Preparation of the accounts on a going concern basis**

The global pandemic of COVID-19 had a financial impact on the Charity in the year to 31 December 2021, but investment income improved in comparison with the previous year. The number of grants paid fell in the year as individuals and institutions were still unable to perform the tasks associated with the grants, resulting in £12,415 of grants being deferred to 2022. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material judgements that affect the accounts. The main source of estimation uncertainty for 2022 relates to the value of investments and investment income.

### c **Fund structure**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes (see note 12).

The endowment fund represents those assets which must be held permanently by the Charity. Income arising on the endowment fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any realised or unrealised capital gains or losses arising on the investments form part of the fund.

### d **Income**

Income is accounted for in the period in which the Charity is entitled to the income, it is probable that the income will be received and the amount of income can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest is recognised when receivable.

### e **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included on an accruals basis and includes VAT where charged.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

### f **Allocation of support costs and governance 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. These costs include costs related to statutory audit or independent examination together with an apportionment of support costs.

Governance and other support costs relating to charitable activities have been apportioned based on the number of grants awarded per category of grant in recognition that the administrative burden of awarding and monitoring each grant is broadly equivalent.

The allocation of support and governance costs is analysed in note 5.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES (Continued)**

**g Expenditure on raising funds**

Expenditure on raising funds comprise investment management costs.

**h Charitable activities**

Costs of Charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

**i Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is provided on fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment:	25% per annum on cost
Office equipment:	20% per annum on cost
Office furniture:	10% per annum on cost

**j Fixed asset investments**

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value (mid market price) 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. The charity does not acquire put options, derivatives or other complex financial instruments.

**k 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 the sale proceeds and opening market value (or 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).

**l Debtors**

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

**m Cash at bank and in hand**

Cash at bank and in hand includes cash and cash on deposit.

**n Liabilities**

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

**o Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are recognised at amortised cost, except for investments which are measured at fair value with changes recognised on the Statement of Financial Activities.

**p Leases**

Commitments in respect to rent and other charges paid under operating leases are shown in the notes to the accounts. Costs are recognised in the SOFA on a straight line basis over the lease term.

**2. INCOME FROM INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Income from listed investments	163,001	150,475
Interest received on cash deposits	-	3
	<u>£ 163,001</u>	<u>£ 150,478</u>

All investment income is unrestricted.

**3. EXPENDITURE ON RAISING FUNDS**

	<u>2021</u>	<u>2020</u>
Investment management costs	818	1,022
Unrestricted funds	36,295	33,469
Endowment funds	<u>£ 37,113</u>	<u>£ 34,491</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. ANALYSIS OF CHARITABLE EXPENDITURE**

The charity undertook no direct charitable activities but awarded grants to a number of individuals and institutions in furtherance of its charitable activities. All grants approved are subject to the recipient fulfilling certain conditions. The amount payable in the year comprises:

<b>2021</b> Object/activity per Trustees' report	Number of Grants	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		Support and governance costs	Total 2021
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (6)	2	-	-	15,000	-	546	15,546
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	-	-	-	-	-	-	-
d) Teaching resources	8	90,461	(330)	-	-	4,369	94,500
e) Financial assistance	48	-	-	57,040	(5,236)	26,758	78,562
	<u>58</u>	<u>£ 90,461</u>	<u>£ (330)</u>	<u>£ 72,040</u>	<u>£ (5,236)</u>	<u>£ 31,673</u>	<u>£ 188,608</u>

<b>2020</b> Object/activity per Trustees' report	Number of Grants	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		Support and governance costs	Total 2020
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (15)	1	-	-	15,000	-	513	15,513
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	2	8,000	(5,640)	-	-	1,026	3,386
d) Teaching resources	11	88,343	-	-	-	5,642	93,985
e) Financial assistance	51	-	-	73,929	(1,830)	26,160	98,259
	<u>65</u>	<u>£ 96,343</u>	<u>£ (5,640)</u>	<u>£ 88,929</u>	<u>£ (1,830)</u>	<u>£ 33,341</u>	<u>£ 211,143</u>

All expenditure on charitable activities was from unrestricted funds in 2020 and 2021.

The largest institutional grants made in 2021 were:

c) Chapel and chaplaincy  
No grants were made

d) Teaching resources  
£74,000 to the Salisbury Diocesan Board of Education - £68,000 to support the employment of the Diocesan RE Adviser and SIAMS (Statutory Inspection of Anglican and Methodist Schools) manager and the development of the work of the School Effectiveness Advisers. A further £6,000 was for a conference.

Sarum College received £4,550 as funding for online resources and RE Today Services received £9,861 for the design of an RE Awareness Course.

The balance of institutional grants was made up of 4 grants totalling £2,050.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS**

The breakdown of support costs and how these were allocated between governance (5%) and other support costs (95%) is shown in the table below.

	<u>Basis of allocation</u>	<u>Other support costs</u>	<u>Governance costs</u>	<u>Total 2021</u>	<u>Total 2020</u>
Staff costs	Staff time	16,651	876	17,527	17,659
Office premises costs	Staff time	5,457	287	5,744	5,512
Office administrative costs	Staff time	1,719	91	1,810	3,062
Legal and professional costs	Staff time	1,219	64	1,283	3,104
Depreciation	Staff time	-	-	-	-
		<u>£ 25,046</u>	<u>£ 1,318</u>	<u>£ 26,364</u>	<u>£ 29,337</u>

**GOVERNANCE COSTS**

		<u>2021</u>	<u>2020</u>
Accountants' remuneration	for accountancy services	2,649	1,830
	for independent examination	2,649	1,830
Cost of meetings		11	344
Support costs (5%)		1,318	1,467
		<u>£ 6,627</u>	<u>£ 5,471</u>

**TOTAL SUPPORT COSTS**

	<u>2021</u>	<u>2020</u>
Other support costs	25,046	27,870
Governance costs	6,627	5,471
	<u>£ 31,673</u>	<u>£ 33,341</u>

The total support cost attributable to charitable activities (grants payable) is apportioned pro rata by the number of grants awarded per category of grant as shown in note 4.

**6. ANALYSIS OF STAFF COSTS**

	<u>2021</u>	<u>2020</u>
Salaries	17,527	17,659
Social security costs	-	-
	<u>£ 17,527</u>	<u>£ 17,659</u>

The average number of employees during the year was 2 (2020 - 2).  
No employees had emoluments above £60,000 in 2021 or 2020.

The day to day operations of the charity is delegated by the Trustees to the Clerk who is considered to be the key management person. The total cost of key management personnel during the year was £10,685.

Trustees received no remuneration or benefits (2020 - nil) but 1 trustee was reimbursed for travelling expenses incurred in connection with attendance at Governors' meetings, conferences and seminars. Amounts reimbursed in the year amounted to £11 (2020: £41 - 2 trustees).

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>7. TANGIBLE FIXED ASSETS</b>	<u>Computer Equipment</u>	<u>Office Furniture</u>	<u>Office Equipment</u>	<u>Total</u>
<b>Cost</b>				
At 1 January 2021	908	238	418	1,564
Additions	-	-	-	-
At 31 December 2021	<u>908</u>	<u>238</u>	<u>418</u>	<u>1,564</u>
<b>Depreciation</b>				
At 1 January 2021	908	238	418	1,564
Charge for the year	-	-	-	-
At 31 December 2021	<u>908</u>	<u>238</u>	<u>418</u>	<u>1,564</u>
<b>Net Book Value</b>				
At 31 December 2021	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
At 1 January 2021	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

**8. FIXED ASSET INVESTMENTS**

<b>Listed Investments</b>	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Market value at 1 January	6,063,962	5,971,229	200,344	272,947
Additions to investments at cost	912,877	1,251,949	15,029	6,813
Disposals at carrying value	(982,681)	(1,479,330)	(58,134)	(67,968)
Net gain/(loss) on revaluation	558,767	320,114	9,288	(11,448)
Market value at 31 December	<u>£ 6,552,925</u>	<u>£ 6,063,962</u>	<u>£ 166,527</u>	<u>£ 200,344</u>
Historical cost as at 31 December	<u>£ 4,663,190</u>	<u>£ 4,494,812</u>	<u>£ 134,301</u>	<u>£ 170,870</u>
<b>Cash with Investment Managers</b>	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Held at 1 January	35,808	38,043	40,926	53,912
Investment income			162,820	150,478
Proceeds from sale of investments	1,027,286	1,283,125	56,118	64,474
Other investment receipts (redemption proceeds, equalisation etc)	1,418	-	-	-
Expended on investment purchases	(912,694)	(1,251,949)	(15,029)	(6,813)
Investment management charges	(35,755)	(33,411)	(811)	(1,125)
Transferred to general bank account			(190,000)	(220,000)
Held at 31 December	<u>£ 116,063</u>	<u>£ 35,808</u>	<u>£ 54,024</u>	<u>£ 40,926</u>
Viewed as current asset capital cash (transferred to general bank account within 6 months)	-	-	54,024	40,926
Viewed as fixed asset capital cash	<u>£ 116,063</u>	<u>£ 35,808</u>	<u>£ -</u>	<u>£ -</u>
<b>Total Fixed Asset Investments</b>	<u>£ 6,668,988</u>	<u>£ 6,099,770</u>	<u>£ 166,527</u>	<u>£ 200,344</u>

**9. DEBTORS AND PREPAYMENTS**

	<u>2021</u>	<u>2020</u>
Other debtors	1,395	5,640
Prepayments	464	1,238
	<u>£ 1,859</u>	<u>£ 6,878</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2021</u>	<u>2020</u>
Trade creditors	-	-
Accruals and deferred income	13,316	12,571
Taxation and social security	568	666
	<u>£ 13,884</u>	<u>£ 13,237</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. ENDOWMENT FUNDS**

	Balance at 31.12.20	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.21
Main Fund	£ 6,078,503	£ -	£ (36,295)	£ 604,790	£ -	£ 6,646,998
	Balance at 31.12.19	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.20
Main Fund	£ 5,988,063	£ -	£ (33,469)	£ 123,909	£ -	£ 6,078,503

The Main Fund was established in 1980 from the assets of the College of Sarum St Michael, which was the Church of England's Teacher Training College in The Close, Salisbury.

**12. UNRESTRICTED FUNDS**

	Balance at 31.12.20	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.21
Designated Fund for grants payable in:						
2019	-	-	-	-	-	-
2020	11,218	-	-	-	(11,218)	-
2021	106,497	-	-	-	(94,082)	12,415
2022	79,280	-	-	-	(170)	79,110
2023	69,100	-	-	-	900	70,000
2024	-	-	-	-	-	-
	266,095	-	-	-	(104,570)	161,525
General Reserve	(3,737)	163,001	(189,426)	7,272	104,570	81,680
	£ 262,358	£ 163,001	£ (189,426)	£ 7,272	£ -	£ 243,205

	Balance at 31.12.19	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.20
Designated Fund for grants payable in:						
2019	4,003	-	-	-	(4,003)	-
2020	124,444	-	-	-	(113,226)	11,218
2021	19,087	-	-	-	87,410	106,497
2022	2,500	-	-	-	76,780	79,280
2023	-	-	-	-	69,100	69,100
	150,034	-	-	-	116,061	266,095
General Reserve	188,953	150,478	(212,165)	(14,942)	(116,061)	(3,737)
	£ 338,987	£ 150,478	£ (212,165)	£ (14,942)	£ -	£ 262,358

The designated funds represent accumulated income set aside for grants approved for payment by 31 December 2023. Transfers are made to/(from) the General Reserve to ensure that sufficient funds are designated for grants payable.

**13. OPERATING LEASES - Land and Buildings**

At 31 December 2021 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
Not later than 1 year	4,950	4,950
Later than 1 year and not later than 5 years	1,912	5,775
Later than 5 years	-	-
	£ 6,862	£ 10,725

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**At 31 December 2021**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	6,668,988	166,527	6,835,515
Current asset investments	-	54,024	54,024
Debtors	-	1,859	1,859
Cash at bank and in hand	(12,611)	25,300	12,689
Creditors: amounts falling due within one year	(9,379)	(4,505)	(13,884)
Total net assets	<u>£ 6,646,998</u>	<u>£ 243,205</u>	<u>£ 6,890,203</u>

**At 31 December 2020**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	6,099,770	200,344	6,300,114
Current asset investments	-	40,926	40,926
Debtors	-	6,878	6,878
Cash at bank and in hand	(12,429)	18,609	6,180
Creditors: amounts falling due within one year	(8,838)	(4,399)	(13,237)
Total net assets	<u>£ 6,078,503</u>	<u>£ 262,358</u>	<u>£ 6,340,861</u>

**15. RELATED PARTY TRANSACTIONS**

There were no related party transactions in 2021 or 2020.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**ANNEX**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Comments from Beneficiaries**

I would like to thank the trustees for the support you have shown me through the provision of financial help. I enjoyed the course a great deal and, after some reflection, am now offering the ministry of spiritual direction. *JD*

I wanted to thank you for your generous grant to support my MA in Theology, Imagination and Culture at Sarum College. I have now completed the six taught modules and have really appreciated the opportunity to read and think about new issues. The teaching has been very stimulating and I feel that I have grown over the past year. I have also had several opportunities to use my work with the education team at two dioceses, supporting RE teachers. *JK*

I have just completed the Ministry Training Course. Your funding for the fees enabled me to sign up. I wanted to say how grateful I have been for the opportunity and how much I have learned from it. One highlight has been the excellent Bible overview, which has taken us from Genesis to Revelation and has let us see how the different books hang together. Another highlight has been the small group I have been a part of, where we have had the chance to give practice talks and give and receive feedback. This has been a hugely formative and encouraging experience. *EHS*

I am writing to express my sincere gratitude for the generous support you gave me to complete the Cambridge Certificate for Teaching English to Speakers of Other Languages. I received the grade of Pass A, the highest pass grade achieved by around 3% of participants. I am currently living in Thessaloniki, Greece, and hope to start voluntary English teaching with migrants, refugees and asylum seekers. I wouldn't have been able to complete this course without your support. *MY*

Receiving the Sarum St Michael RE bursary has been a great relief from financial pressure, allowing me to focus on my studies without worry. Otherwise I might have had to consider a part-time job, which would have been extremely challenging given the demands of the RE/PGCE. The bursary has been a great support and I am extremely grateful for the Sarum St Michael Educational Charity's generosity. *LB*

The RE bursary has been a huge help to me. In my undergraduate years money was tight and sometimes it would be difficult to purchase resources or travel home. I have found that the bursary's biggest aid has been in resources for assignments, as it goes towards essential texts. It also helps with travelling to and from placements. It has been a real benefit for my teacher training. *EP*

I am writing to express my thanks for your grant towards my final year of study. You made it possible for me to complete what has proved an extremely formative year in my journey in theological education. My dissertation led me to focus on how storytelling can be used in theological education for children and I believe this has been an extremely significant project for me as an individual and to the church. I am about to take up a position in a local church serving children and families and am looking forward to putting into practice all that I have learnt. *LL*

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

England & Wales - Charity number 309456

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# Accounts

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**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**CHARITY NO: 309456**

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**FLETCHER & PARTNERS  
CHARTERED ACCOUNTANTS  
SALISBURY**

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The Managing Trustees present this report together with the financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 and comply with the Charity Commission Order, the Charities Act 2011 and the 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 (FRS102) - Charities SORP (FRS 102).

<b>Registered Charity Number</b>	309456 ( in England and Wales)
<b>Registered Address</b>	Room 2, Suite 1 Second Floor North Cross Keys House 22 Queen Street, Salisbury SP1 1EY
<b>Governors</b>	
<u>Ex Officio Governors</u>	
The Bishop of Salisbury	The Right Revd Nicholas Holtam
The Dean of Salisbury	The Very Revd Canon Nicholas Papadopoulos
The Diocesan Director of Education	Mrs J Tubbs
The Diocesan Secretary	Mr D Pain
The Chapter Clerk of Salisbury Cathedral	Mrs J Molnar
<u>Nominative Governors</u>	
Salisbury Diocesan Synod	The Very Revd Dr A Knight (Chairman) Revd A Keating
Salisbury Diocesan Board of Education	Mr J F A Cox (retired 10.7.20) Mrs J A Pitcher (Vice- Chairman) Professor E Stuart Mrs D Wood (appointed 20.11.20)
<u>Additional Governors</u>	The Revd F J Dunlop Mr R Sykes Mr J Leigh
<b>Clerk to the Governors</b>	Mr N R Allen
<b>Banker</b>	Lloyds Bank plc 38 Blue Boar Row Salisbury Wiltshire SP1 1DB
<b>Solicitor</b>	Parker Bullen 45 Castle Street Salisbury Wiltshire SP1 3SS
<b>Independent Examiner</b>	Mrs N A Halls FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
<b>Investment Manager</b>	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QP

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Sarum St Michael Educational Charity is a Registered Charity founded in 1979 and is regulated under the Charity Commission scheme of 24 January 1980. In June 2004 the Charity Commission gave an order to amend the original scheme, allowing the appointment of two additional Governors and another ex-officio Governor.

The Charity is managed by the Managing Trustees who comprise five ex-officio Governors (as shown on page 1 of this report) and five nominative Governors consisting of three from the Salisbury Diocesan Board of Education and two from the Synod of the Diocese of Salisbury. The Salisbury Diocesan Board of Education is the Custodian Trustee of the Charity.

The Governors may appoint not more than four additional Governors to hold office for a term of two years. Every appointment shall be made by a resolution of the Governors to be passed at a meeting of their body.

The appointment of governors is undertaken after consultation with both the Diocesan Synod and the Salisbury Diocesan Board of Education. The aim is that the Board of Governors should have as wide a breadth of experience as possible to include religious, educational, legal and financial knowledge.

### **Governors**

Before new Governors are appointed they are invited to attend a Governors' meeting as an observer. In addition they are given a copy of the Charity Commission's Order for the Charity so that they fully understand the conditions and criteria in the Order that they will have to observe. They also receive a copy of the latest annual report and accounts and investment management report.

### **Organisation**

The Managing Trustees meet four or five times a year to determine grants and other expenditure. They review policy, consider financial statements and receive reports by the investment manager.

At each of the Governors' meetings personal, parish, school and corporate grant applications are considered and the decision whether or not to award grants and the level of the award is reached with the consensus of the Governors present. There is a quorum when four Governors are present at the meeting.

Day-to-day management of the Charity is delegated to the Clerk to the Governors, assisted by a secretary/book-keeper. The Chairman of the Governors regularly discusses the management of the Charity with the Clerk.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

(Continued)

### **Policy on Grant-Making**

The Charity pursues its policy by making grants in accordance with its object, normally to those living or studying in the Diocese of Salisbury or an adjoining Diocese, for the public benefit.

Teaching bursaries for students who are intending to specialise in Religious Education (RE) and will take appropriate courses in Primary or Secondary Education are considered every year.

The Charity has its own website and invites applications for grants by that means as well as through other publicity. All applicants must complete a standard form. Grants for persons attending educational establishments are continued only if the applicant remains at that establishment. Grants to institutions to fund specific projects or posts are awarded on condition that for the term of the grant a report on the achievements of the project or post is received each year.

### **Risk Management**

The Charity's Managing Trustees have considered the risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The Governors believe that the variability of investment returns constitutes the Charity's main risk. The Governors appointed the current investment manager in 2012 (Investec Wealth & Investment Ltd) and in 2018 conducted an internal formal review of their performance from January 2013 to December 2017. Governors concluded that this had been satisfactory and plan another review in 2023 of performance in the five years ending December 2022, unless circumstances point to the need for an earlier one.

### **OBJECTIVES AND ACTIVITIES**

The object of the Charity is the advancement of education in accordance with the principles and doctrines of the Church of England in one or more of the following ways:

- (a) in the promotion of the education and training of persons who are, or intend to become, engaged as teachers or otherwise in work connected with religious education;
- (b) in the promotion of research in, and development of, religious education;
- (c) in the provision and conduct, or assistance in the provision and conduct, of a chapel and chaplaincy providing for students' religious worship, instruction and care;
- (d) in the promotion of education by the provision of instruction, classes, lectures, books, libraries and reading rooms;
- (e) in making grants to persons in need of financial assistance to enable them to attend an establishment of higher or further education or otherwise to pursue their education;
- (f) and in such ways as the Governors may from time to time determine.

The Charity pursues its objectives by making grants to individuals and institutions such as universities, schools, parishes and other religious establishments. The Charity is an active member of the Religious Education Council (REC) and the Association of Church College Trusts (ACCT), with the aim of supporting national efforts to promote the cause of religious education.

When planning the activities for the year, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit. The Charity's aims are entirely consistent with grants being awarded for the public benefit.

The Trustee's aim in 2020 was to allocate grants so that 45% was for personal grants and bursaries, 50% for corporate grants, 3% for schools and 2% for parishes.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

(Continued)

## **ACHIEVEMENTS AND PERFORMANCE**

Eighty- one grant applications were received during 2020. Of the sixty- three personal applicants, forty- one were successful. Eight of the eleven corporate applications and one school applicant were successful. All of the six parish applicants were successful.

The Charity approved new grants totalling £311,539 in the year. Of these new grants £8,570 due for payment in 2020 were deferred to 2021. During 2020 the Charity paid grants totalling £185,272 (2019: £208,879) and grants of £7,470 were refunded (2019: £1,800).

The division of grants paid between recipients differed from the proposed target and worked out at 40% for personal applicants (including those channelled through Winchester University), 48% for corporate applications, 8% for schools and 1% for parishes. The analysis of grants is shown in note 4 to the accounts.

A selection of comments from beneficiaries is annexed.

## **FINANCIAL REVIEW**

The Charity is reliant on the income from its investments. Total investment income for the year was £150,478 (2019 - £192,133).

The investment management costs for 2020 were £34,491 (2019 - £35,508), of which £33,469 related to endowments (2019 - £34,200).

Administration and premises costs were £29,337, of which £27,870 (95%) were allocated to other support costs and the balance to governance costs, which totalled £5,471 for 2020 (2019 - £5,177). Other support costs and governance costs were then allocated to charitable activities, giving a total of £211,143 for the cost of grants payable (2019 - £239,014).

Total expenditure was £245,634, of which £33,469 was spent from endowment funds, leaving net expenditure for the year of £95,156 (2019 - net expenditure of £82,389). The investment gains for the year were £108,967 (2019: £769,793), making a net movement in funds for the year of £13,811 surplus (2019: £687,404 surplus).

At the end of the year the net assets of the Charity were £6,340,861 (2019: £6,327,050).

Grants approved in 2020 and earlier years for payment in 2020, but deferred to 2021, totalled £11,218. Grants approved for payment in 2021 totalled £106,497, in 2022 £79,280 and in 2023 £69,100. This gave a total of £266,095 approved but not paid at the end of the year. As is usual policy, these 3 years of grants have been designated for payment from accumulated income, which has been set aside in a designated fund for grants payable in 2021 to 2023, causing a shortfall of general reserves of £3,737.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

(Continued)

### **Investment Policy and Performance**

Investec has been instructed to manage the main portfolio (Endowment Fund) to enhance the real value of the capital and income of the Fund and to aim for a target return of RPI plus 3%, net of fees. The charity's aim is to sustain the income stream in the region of £160,000 (as at end 2011) in real terms. This year the income fell short of the target owing to the financial impact of the COVID-19 pandemic and repeated lockdowns on businesses worldwide, resulting in cancellation and reduction of activities and dividends.

At the end of 2020, the main portfolio valued at £6,099,771 consisted of 34% UK Equities, 38% Overseas Equities, 12.5% Fixed Income, 6% Property, 9% Alternatives and 0.5% Cash.

Investec has reported that the total return on the main portfolio was 4.09% net of fees. This compares with the benchmark return of 3.28% (RPI + 3%). The portfolio thus performed well in 2020 as most markets recovered after the economic devastation brought about by the global Covid-19 pandemic.

Investec has also been instructed to manage the smaller accumulated income portfolio. Their objective is to enhance the value of the capital and income of the fund with the avoidance of undue risk as the fund will be drawn down and spent when suitable opportunities arise. At the end of 2020 the portfolio valued at £213,344 consisted of 50.5% UK Equities, 43.5% Fixed Income and 6% Cash.

Investec has reported that the total return on the accumulated income portfolio was -2.51% net of fees. This compares with the benchmark return of 0.28% (Bespoke benchmark comprising 45% Fixed Interest, 40% UK Equities and 15% Cash).

The investment manager has been instructed to adhere to the ethical investment policy of the Church of England, and to favour companies that display a positive approach to governance and sustainability.

### **Reserves Policy**

The Charity has a general reserve of accumulated income the level of which was reviewed by the Governors in April 2016. It was decided that the general reserve should cover a minimum of one year's future support and governance costs. However, this reserve is after transfers of accumulated income to the designated fund for the grants approved for payment by the end of the next three financial years. Insufficient reserves existed at the year end to fully comply with the policy, but the trustees will aim to monitor and build up the reserves in the coming year.

The total reserves at the 31 December 2020 were £262,358 (2019:£338,987). Of this, the general reserve at 31 December 2020 stood at -£3,737 (2019- £188,953).

The inflation-adjusted value of the endowed capital funds whose original value was £907,698 at 24 January 1980 was £4,312,222 at December 2020. This compares with the market value of £6,099,771 at 31 December 2020.

### **PLANS FOR FUTURE PERIODS**

The Governors have set a total grant budget for 2021 of £201,715, which is £85,000 more than the grants already approved for payment in 2021 plus deferred 2020 grants.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**REPORT OF THE MANAGING TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

(Continued)

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The purpose of this statement is to distinguish the trustees' responsibilities for the accounts from those of the independent examiners, as stated in their report.

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 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;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- 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 accounts on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue to meet its objectives.

The trustees are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the Charity's financial position at any time, and to enable the trustees to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the charity's constitution. They are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 29 April 2021 and signed on their behalf by:

F J Dunlop

Trustee

**INDEPENDENT EXAMINER'S REPORT**  
**TO THE TRUSTEES OF**  
**SARUM ST MICHAEL EDUCATIONAL CHARITY**

I report to the trustees on my examination of the accounts of the Sarum St Michael Educational Charity (the Charity) for the year ended 31 December 2020.

**Responsibilities and basis of report**

As the charity 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; 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.

Nicola Halls

Mrs N A Halls FCA  
Fletcher & Partners Chartered Accountants  
Crown Chambers  
Bridge Street Salisbury  
Wiltshire  
SP1 2LZ

Date: 1 June 2021

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Endowment Funds</u>	<u>Total 2020</u>	<u>Total 2019</u>
<b>INCOME FROM:</b>					
Investments	2	150,478	-	150,478	192,133
<b>TOTAL</b>		<u>150,478</u>	<u>-</u>	<u>150,478</u>	<u>192,133</u>
<b>EXPENDITURE ON:</b>					
<b>Raising funds:</b>					
Investment management costs	3	1,022	33,469	34,491	35,508
<b>Charitable activities:</b>					
Grants payable	4	211,143	-	211,143	239,014
<b>TOTAL</b>		<u>212,165</u>	<u>33,469</u>	<u>245,634</u>	<u>274,522</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS:</b>					
		(61,687)	(33,469)	(95,156)	(82,389)
<b>NET GAINS/(LOSSES) ON INVESTMENTS:</b>					
Realised gains/(losses) on investments		(3,494)	(196,205)	(199,699)	2,023
Unrealised gains/(losses) on investments	8	(11,448)	320,114	308,666	767,770
<b>NET INCOME/(EXPENDITURE)</b>		<u>(76,629)</u>	<u>90,440</u>	<u>13,811</u>	<u>687,404</u>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(76,629)	90,440	13,811	687,404
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	11, 12	<u>338,987</u>	<u>5,988,063</u>	<u>6,327,050</u>	<u>5,639,646</u>
Total funds carried forward	11, 12	<u>£ 262,358</u>	<u>£ 6,078,503</u>	<u>£ 6,340,861</u>	<u>£ 6,327,050</u>

The statement of financial activities includes all gains and losses recognised in the years 2020 and 2019.

The notes on pages 10 to 16 form part of these accounts.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>FIXED ASSETS:</b>			
Tangible assets	7	-	-
Investments			
Endowment Funds	8	6,099,770	6,009,272
Unrestricted Funds	8	<u>200,344</u>	<u>306,562</u>
Total fixed assets		<u>6,300,114</u>	<u>6,315,834</u>
<b>CURRENT ASSETS:</b>			
Investments			
Unrestricted Funds	8	40,926	20,297
Debtors	9	6,878	1,698
Cash at bank and in hand		<u>6,180</u>	<u>2,315</u>
Total current assets		53,984	24,310
<b>LIABILITIES:</b>			
CREDITORS: amounts falling due within one year	10	<u>(13,237)</u>	<u>(13,094)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>40,747</u>	<u>11,216</u>
<b>TOTAL NET ASSETS</b>		<u>£ 6,340,861</u>	<u>£ 6,327,050</u>
<b>THE FUNDS OF THE CHARITY:</b>			
Endowment Funds	11	6,078,503	5,988,063
Unrestricted Funds	12	<u>262,358</u>	<u>338,987</u>
<b>TOTAL CHARITY FUNDS</b>	13	<u>£ 6,340,861</u>	<u>£ 6,327,050</u>
		-	

Approved by the Managing Trustees on 29 April 2021

and signed on their behalf by :

F J Dunlop  
Trustee

The notes on pages 10 to 16 form part of these accounts.

## 1. ACCOUNTING POLICIES

### a **Basis of preparing the financial statements**

The financial statements of the Charity are 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 UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (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'. This 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. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

### b **Preparation of the accounts on a going concern basis**

The global pandemic of COVID-19 had a financial impact on the Charity in the year to 31 December 2020. Investment income fell in the year as a consequence of the cancellation and reduction of dividends. The value of investments recovered after falls in March and April 2020. The number of grants paid fell in the year as individuals and institutions were unable to perform the tasks associated with the grants, resulting in £11,218 of grants being deferred to 2021. Overall the charity did not hold sufficient funds at the year end to meet the reserves policy but the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material judgements that affect the accounts.

### c **Fund structure**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes (see note 12).

The endowment fund represents those assets which must be held permanently by the Charity. Income arising on the endowment fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any realised or unrealised capital gains or losses arising on the investments form part of the fund.

### d **Income**

Income is accounted for in the period in which the Charity is entitled to the income, it is probable that the income will be received and the amount of income can be measured reliably. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest is recognised when receivable.

### e **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included on an accruals basis and includes VAT where charged.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

### f **Allocation of support costs and governance 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. These costs include costs related to statutory audit or independent examination together with an apportionment of support costs.

Governance and other support costs relating to charitable activities have been apportioned based on the number of grants awarded per category of grant in recognition that the administrative burden of awarding and monitoring each grant is broadly equivalent.

The allocation of support and governance costs is analysed in note 5.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES (Continued)**

**g Expenditure on raising funds**

Expenditure on raising funds comprise investment management costs.

**h Charitable activities**

Costs of Charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

**i Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is provided on fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment:	25% per annum on cost
Office equipment:	20% per annum on cost
Office furniture:	10% per annum on cost

**j Fixed asset investments**

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value (mid market price) 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. The charity does not acquire put options, derivatives or other complex financial instruments.

**k 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 the sale proceeds and opening market value (or 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).

**l Debtors**

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

**m Cash at bank and in hand**

Cash at bank and in hand includes cash and cash on deposit.

**n Liabilities**

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

**o Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are recognised at amortised cost, except for investments which are measured at fair value with changes recognised on the Statement of Financial Activities.

**p Leases**

Commitments in respect to rent and other charges paid under operating leases are shown in Note 13. Costs are recognised in the SOFA on a straight line basis over the lease term.

**2. INCOME FROM INVESTMENTS**

	<u>2020</u>	<u>2019</u>
Income from listed investments	150,475	191,663
Interest received on cash deposits	3	470
	<u>£ 150,478</u>	<u>£ 192,133</u>

All investment income is unrestricted.

**3. EXPENDITURE ON RAISING FUNDS**

		<u>2020</u>	<u>2019</u>
Investment management costs	Unrestricted funds	1,022	1,308
	Endowment funds	33,469	34,200
		<u>£ 34,491</u>	<u>£ 35,508</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

#### 4. ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertook no direct charitable activities but awarded grants to a number of individuals and institutions in furtherance of its charitable activities. All grants approved are subject to the recipient fulfilling certain conditions. The amount payable in the year comprises:

##### 2020

<u>Object/activity per Trustees' report</u>	Number of <u>Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		Support and governance <u>costs</u>	Total <u>2020</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching (15)	1	-	-	15,000	-	513	15,513
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	2	8,000	(5,640)	-	-	1,026	3,386
d) Teaching resources	11	88,343	-	-	-	5,642	93,985
e) Financial assistance	51	-	-	73,929	(1,830)	26,160	98,259
	<u>65</u>	<u>£ 96,343</u>	<u>£ (5,640)</u>	<u>£ 88,929</u>	<u>£ (1,830)</u>	<u>£ 33,341</u>	<u>£ 211,143</u>

##### 2019

<u>Object/activity per Trustees' report</u>	Number of <u>Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		Support and governance <u>costs</u>	Total <u>2019</u>
		<u>Awarded</u>	<u>Refunded</u>	<u>Awarded</u>	<u>Refunded</u>		
a) Training for RE teaching	2	-	-	4,000	-	743	4,743
b) RE research and development	-	-	-	-	-	-	-
c) Chapel and chaplaincy	2	8,000	-	-	-	743	8,743
d) Teaching resources	8	94,680	-	-	-	2,971	97,651
e) Financial assistance	74	-	-	102,199	(1,800)	27,478	127,877
	<u>86</u>	<u>£ 102,680</u>	<u>£ -</u>	<u>£ 106,199</u>	<u>£ (1,800)</u>	<u>£ 31,935</u>	<u>£ 239,014</u>

All expenditure on charitable activities was from unrestricted funds in 2019 and 2020.

The largest institutional grants made in 2020 were:

- c) Chapel and chaplaincy  
£5,000 to the Bridge Youth Project - to fund further development of lay-chaplaincy in secondary schools in the Salisbury area.
- d) Teaching resources  
£65,000 to the Salisbury Diocesan Board of Education - to support the employment of the Diocesan RE Adviser and SIAMS (Statutory Inspection of Anglican and Methodist Schools) manager and the development of the work of the School Effectiveness Advisers.  
£10,000 to the Religious Education Council (REC)- to contribute to the CEO's and assistant's salary over 3 years whilst working on follow- up to the REC's independent Commission on Religious Education's 2018 report.  
£6,395 to Sarum College to match funding for online resources.

The balance of institutional grants was made up of 9 grants totalling £9,948.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

## 5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS

The breakdown of support costs and how these were allocated between governance (5%) and other support costs (95%) is shown in the table below.

	<u>Basis of allocation</u>	<u>Other support costs</u>	<u>Governance costs</u>	<u>Total 2020</u>	<u>Total 2019</u>
Staff costs	Staff time	16,776	883	17,659	17,182
Office premises costs	Staff time	5,236	276	5,512	7,761
Office administrative costs	Staff time	2,909	153	3,062	2,000
Legal and professional costs	Staff time	2,949	155	3,104	1,223
Depreciation	Staff time	-	-	-	-
		<u>£ 27,870</u>	<u>£ 1,467</u>	<u>£ 29,337</u>	<u>£ 28,166</u>

### GOVERNANCE COSTS

		<u>2020</u>	<u>2019</u>
Accountants' remuneration	for accountancy services	1,830	1,716
	for independent examination	1,830	1,716
Cost of meetings		344	337
Support costs (5%)		1,467	1,408
		<u>£ 5,471</u>	<u>£ 5,177</u>

### TOTAL SUPPORT COSTS

	<u>2020</u>	<u>2019</u>
Other support costs	27,870	26,758
Governance costs	5,471	5,177
	<u>£ 33,341</u>	<u>£ 31,935</u>

The total support cost attributable to charitable activities (grants payable) is apportioned pro rata by the number of grants awarded per category of grant as shown in note 4.

## 6. ANALYSIS OF STAFF COSTS

	<u>2020</u>	<u>2019</u>
Salaries	17,659	17,182
Social security costs	-	-
	<u>£ 17,659</u>	<u>£ 17,182</u>

The average number of employees during the year was 2 (2019 - 2).

No employees had emoluments above £60,000 in 2020 or 2019.

The day to day operations of the charity is delegated by the Trustees to the Clerk who is considered to be the key management person. The total cost of key management personnel during the year was £10,685.

Trustees received no remuneration or benefits (2019 - nil) but 2 trustees were reimbursed for travelling expenses incurred in connection with attendance at Governors' meetings, conferences and seminars. Amounts reimbursed in the year amounted to £41 (2019: £337 - 5 trustees). In 2019 the charity also contributed £120 in connection with 1 trustee's attendance at an RE seminar.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>7. TANGIBLE FIXED ASSETS</b>	Computer Equipment	Office Furniture	Office Equipment	Total
<b>Cost</b>				
At 1 January 2020	908	238	418	1,564
Additions	-	-	-	-
At 31 December 2020	<u>908</u>	<u>238</u>	<u>418</u>	<u>1,564</u>
<b>Depreciation</b>				
At 1 January 2020	908	238	418	1,564
Charge for the year	-	-	-	-
At 31 December 2020	<u>908</u>	<u>238</u>	<u>418</u>	<u>1,564</u>
<b>Net Book Value</b>				
At 31 December 2020	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
At 1 January 2020	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

**8. FIXED ASSET INVESTMENTS**

<b>Listed Investments</b>	Endowment Funds		Unrestricted Funds	
	2020	2019	2020	2019
Market value at 1 January	5,971,229	5,120,211	272,947	261,585
Additions to investments at cost	1,251,949	365,802	6,813	41,058
Disposals at carrying value	(1,479,330)	(259,456)	(67,968)	(52,795)
Net gain/(loss) on revaluation	320,114	744,672	(11,448)	23,099
Market value at 31 December	<u>£ 6,063,962</u>	<u>£ 5,971,229</u>	<u>£ 200,344</u>	<u>£ 272,947</u>
Historical cost as at 31 December	<u>£ 4,494,812</u>	<u>£ 4,589,543</u>	<u>£ 170,870</u>	<u>£ 230,499</u>
<b>Cash with Investment Managers</b>	Endowment Funds		Unrestricted Funds	
	2020	2019	2020	2019
Held at 1 January	38,043	179,490	53,912	84,800
Investment income	-	-	150,478	192,133
Proceeds from sale of investments	1,283,125	256,560	64,474	56,363
Other investment receipts (redemption proceeds, equalisation etc)	-	1,351	-	-
Expended on investment purchases	(1,251,949)	(365,802)	(6,813)	(41,058)
Investment management charges	(33,411)	(33,556)	(1,125)	(1,326)
Transferred to general bank account	-	-	(220,000)	(237,000)
Held at 31 December	<u>£ 35,808</u>	<u>£ 38,043</u>	<u>£ 40,926</u>	<u>£ 53,912</u>
Viewed as current asset capital cash (transferred to general bank account within 3 months)	-	-	40,926	20,297
Viewed as fixed asset capital cash	<u>£ 35,808</u>	<u>£ 38,043</u>	<u>£ -</u>	<u>£ 33,615</u>
<b>Total Fixed Asset Investments</b>	<u>£ 6,099,770</u>	<u>£ 6,009,272</u>	<u>£ 200,344</u>	<u>£ 306,562</u>

**9. DEBTORS AND PREPAYMENTS**

	2020	2019
Other debtors	5,640	-
Prepayments	1,238	1,698
	<u>£ 6,878</u>	<u>£ 1,698</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
Trade creditors	-	18
Accruals and deferred income	12,571	12,508
Taxation and social security	666	568
	<u>£ 13,237</u>	<u>£ 13,094</u>

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. ENDOWMENT FUNDS**

	Balance at 31.12.19	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.20
Main Fund	£ 5,988,063	£ -	£ (33,469)	£ 123,909	£ -	£ 6,078,503
	Balance at 31.12.18	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.19
Main Fund	£ 5,279,136	£ -	£ (34,200)	£ 743,127	£ -	£ 5,988,063

The Main Fund was established in 1980 from the assets of the College of Sarum St Michael, which was the Church of England's Teacher Training College in The Close, Salisbury.

**12. UNRESTRICTED FUNDS**

	Balance at 31.12.19	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.20
Designated Fund for grants payable in:						
2019	4,003	-	-	-	(4,003)	-
2020	124,444	-	-	-	(113,226)	11,218
2021	19,087	-	-	-	87,410	106,497
2022	2,500	-	-	-	76,780	79,280
2023	-	-	-	-	69,100	69,100
	150,034	-	-	-	116,061	266,095
General Reserve	188,953	150,478	(212,165)	(14,942)	(116,061)	(3,737)
	£ 338,987	£ 150,478	£ (212,165)	£ (14,942)	£ -	£ 262,358
	Balance at 31.12.18	Incoming Resources	Resources expended	Gains/(losses) arising in year	Transfers	Balance at 31.12.19
Designated Fund for grants payable in:						
2017	-	-	-	-	-	-
2018	5,420	-	-	-	(5,420)	-
2019	120,969	-	-	-	(116,966)	4,003
2020	85,381	-	-	-	39,063	124,444
2021	-	-	-	-	19,087	19,087
2022	-	-	-	-	2,500	2,500
	211,770	-	-	-	(61,736)	150,034
General Reserve	148,740	192,133	(240,322)	26,666	61,736	188,953
	£ 360,510	£ 192,133	£ (240,322)	£ 26,666	£ -	£ 338,987

The designated funds represent accumulated income set aside for grants approved for payment by 31 December 2023. Transfers are made to/(from) the General Reserve to ensure that sufficient funds are designated for grants payable.

**13. OPERATING LEASES - Land and Buildings**

At 31 December 2020 the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
Not later than 1 year	4,950	-
Later than 1 year and not later than 5 years	5,775	-
Later than 5 years	-	-
	£ 10,725	£ -

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**At 31 December 2020**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	6,099,770	200,344	6,300,114
Current asset investments	-	40,926	40,926
Debtors	-	6,878	6,878
Cash at bank and in hand	(12,429)	18,609	6,180
Creditors: amounts falling due within one year	(8,838)	(4,399)	(13,237)
Total net assets	<u>£ 6,078,503</u>	<u>£ 262,358</u>	<u>£ 6,340,861</u>

**At 31 December 2019**

Fund balances are represented by:

	Endowment <u>Funds</u>	Unrestricted <u>Funds</u>	<u>Total</u>
Tangible fixed assets	-	-	-
Fixed asset investments	6,009,272	306,562	6,315,834
Current asset investments	-	20,297	20,297
Debtors	-	1,698	1,698
Cash at bank and in hand	(12,429)	14,744	2,315
Creditors: amounts falling due within one year	(8,780)	(4,314)	(13,094)
Total net assets	<u>£ 5,988,063</u>	<u>£ 338,987</u>	<u>£ 6,327,050</u>

**14. RELATED PARTY TRANSACTIONS**

There were no related party transactions in 2020 or 2019.

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
**ANNEX**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Comments from Beneficiaries**

The Bridge Youth Project continues to serve 24 primary and secondary schools across Salisbury and the surrounding area. Our work is very much valued by schools and we are delighted to be able to report new opportunities to serve. Our financial support from Sarum St Michael Educational Charity is absolutely integral in helping us to continue and develop our work and we would like to thank you again for your generosity. *The Bridge Youth Project, Wiltshire*

I am deeply appreciative of the financial support provided by Sarum St Michael Educational Charity, which has enabled me to successfully complete my first year at Moorlands College. I have deeply relished the chance to deepen my knowledge on a wide range of topics, from Revelation and Christian doctrine, to church leadership and preaching. All have been a challenging and exciting opportunity to develop my understanding and abilities for ministerial training. *FM, Dorset*

I wish to express my thanks to the [Charity] for their generous gift which has enabled me to complete [my MA in Theology, Ministry and Mission at Durham University]. I was the first of my family to go to university and was raised in a home where this sort of educational opportunity was unimaginable. Thank you for this opportunity and the gift of this new future. *OB, Wiltshire*

Thank you so much for the grant towards the Bridge Builder Course on Transforming Church Conflict. The week was pretty intense but really helpful and interesting. I feel I have come away equipped and enabled both to tackle conflict in churches but also to head conflict off by good management practice. It was really excellent training – and thank you again for your support which enabled my participation. *LD, Dorset*

I am pleased to say I have been awarded a distinction in my MA Digital Humanities. I feel so privileged to have had the opportunity to pursue this degree, and I would like to thank you for your financial contribution that has helped make it happen. *FMcK, Oxfordshire*

The generous funding of three years tuition fees for my Masters in Theology, Imagination and Culture by the Sarum St Michael Trust has enabled me to progress my theological development in a way that would not have been possible otherwise. I have been able to explore a wide range of academic avenues in the study of theology, all of which have encouraged an interdisciplinary approach and have been highly valuable. The research and writing up of [my dissertation] has been highly influential in my development as a priest and theologian. *BR, Wilts*

I have thoroughly enjoyed the chance [in my MA in Christian Spirituality] to hear the diverse voices and challenges within the academic study of theology and find it particularly relevant as the church seeks to adapt rapidly to the post-pandemic world. I am pleased to be able continue studying alongside ministry as the two areas interplay. *LMcA, Devon*