

**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.

### **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.

## **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**

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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	8	6,099,770	6,009,272
Endowment Funds	8	200,344	306,562
Unrestricted Funds			
Total fixed assets		<u>6,300,114</u>	<u>6,315,834</u>
<b>CURRENT ASSETS:</b>			
Investments	8	40,926	20,297
Unrestricted Funds	9	6,878	1,698
Debtors		6,180	2,315
Cash at bank and in hand		<u>53,984</u>	<u>24,310</u>
Total current assets			
<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><u>£ 6,340,861</u></u>	<u><u>£ 6,327,050</u></u>
<b>THE FUNDS OF THE CHARITY:</b>			
Endowment Funds	11	6,078,503	5,988,063
Unrestricted Funds	12	262,358	338,987
<b>TOTAL CHARITY FUNDS</b>	13	<u><u>£ 6,340,861</u></u>	<u><u>£ 6,327,050</u></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	1,022	1,308
Unrestricted funds	33,469	34,200
Endowment funds	<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>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 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>	<u>Number of Grants</u>	<u>Grants to Institutions</u>		<u>Grants to Individuals</u>		<u>Support and governance costs</u>	<u>Total 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**  
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## 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**  
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**7. TANGIBLE FIXED ASSETS**

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

**8. FIXED ASSET INVESTMENTS**

	Endowment Funds		Unrestricted Funds	
	2020	2019	2020	2019
<b>Listed Investments</b>				
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	£ 6,063,962	£ 5,971,229	£ 200,344	£ 272,947
Historical cost as at 31 December	£ 4,494,812	£ 4,589,543	£ 170,870	£ 230,499
<b>Cash with Investment Managers</b>				
	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	£ 35,808	£ 38,043	£ 40,926	£ 53,912
Viewed as current asset capital cash (transferred to general bank account within 3 months)	-	-	40,926	20,297
Viewed as fixed asset capital cash	£ 35,808	£ 38,043	£ -	£ 33,615
<b>Total Fixed Asset Investments</b>	£ 6,099,770	£ 6,009,272	£ 200,344	£ 306,562

**9. DEBTORS AND PREPAYMENTS**

	2020	2019
Other debtors	5,640	-
Prepayments	1,238	1,698
	£ 6,878	£ 1,698

**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
	£ 13,237	£ 13,094

**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*