

**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.

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

(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.

## **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**

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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 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	8	6,668,988	6,099,770
Endowment Funds	8	166,527	200,344
Unrestricted Funds			
Total fixed assets		<u>6,835,515</u>	<u>6,300,114</u>
<b>CURRENT ASSETS:</b>			
Investments	8	54,024	40,926
Unrestricted Funds	9	1,859	6,878
Debtors		12,689	6,180
Cash at bank and in hand		<u>68,572</u>	<u>53,984</u>
Total current assets			
<b>LIABILITIES:</b>			
CREDITORS: amounts falling due within one year	10	(13,884)	(13,237)
<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	243,205	262,358
<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>

#### 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:

##### 2021

Object/activity per Trustees' report	Number of Grants	Grants to Institutions		Grants to Individuals		Support and governance costs	Total 2021
		Awarded	Refunded	Awarded	Refunded		
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>

##### 2020

Object/activity per Trustees' report	Number of Grants	Grants to Institutions		Grants to Individuals		Support and governance costs	Total 2020
		Awarded	Refunded	Awarded	Refunded		
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).

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**7. TANGIBLE FIXED ASSETS****Cost**

	Computer Equipment	Office Furniture	Office Equipment	Total
At 1 January 2021	908	238	418	1,564
Additions	-	-	-	-
At 31 December 2021	908	238	418	1,564

**Depreciation**

At 1 January 2021	908	238	418	1,564
Charge for the year	-	-	-	-
At 31 December 2021	908	238	418	1,564

**Net Book Value**

At 31 December 2021	£ -	£ -	£ -	£ -
At 1 January 2021	£ -	£ -	£ -	£ -

**8. FIXED ASSET INVESTMENTS****Listed Investments**

	<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	£ 6,552,925	£ 6,063,962	£ 166,527	£ 200,344
Historical cost as at 31 December	£ 4,663,190	£ 4,494,812	£ 134,301	£ 170,870

**Cash with Investment Managers**

	<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	£ 116,063	£ 35,808	£ 54,024	£ 40,926
Viewed as current asset capital cash (transferred to general bank account within 6 months)	-	-	54,024	40,926
Viewed as fixed asset capital cash	£ 116,063	£ 35,808	£ -	£ -
<b>Total Fixed Asset Investments</b>	<b>£ 6,668,988</b>	<b>£ 6,099,770</b>	<b>£ 166,527</b>	<b>£ 200,344</b>

**9. DEBTORS AND PREPAYMENTS**

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

**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
	£ 13,884	£ 13,237

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
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**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**  
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**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*