

**SARUM ST MICHAEL EDUCATIONAL CHARITY**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

**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 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**  
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## **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**

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**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**

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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 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	8	6,071,130	5,816,892
Endowment Funds			
Unrestricted Funds	8	141,978	182,685
Total fixed assets		<u>6,213,108</u>	<u>5,999,577</u>
<b>CURRENT ASSETS:</b>			
Investments	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		<u>35,778</u>	<u>27,773</u>
<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><u>£ 6,235,270</u></u>	<u><u>£ 6,014,051</u></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><u>£ 6,235,270</u></u>	<u><u>£ 6,014,051</u></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>

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**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>2023</b> <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>

<b>2022</b> <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.

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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 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).

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**7. TANGIBLE FIXED ASSETS**

	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	£ -	£ -	£ -	£ -

**8. FIXED ASSET INVESTMENTS**

	<u>Endowment Funds</u>		<u>Unrestricted Funds</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Listed Investments</b>				
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
<b>Cash with Investment Managers</b>				
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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

**9. DEBTORS AND PREPAYMENTS**

	<u>2023</u>	<u>2022</u>
Other debtors	-	-
Prepayments	1,435	1,058
	£ 1,435	£ 1,058

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

	<u>2023</u>	<u>2022</u>
Trade creditors	-	-
Accruals and deferred income	13,043	12,735
Taxation and social security	573	564
	£ 13,616	£ 13,299



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**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 expensed in the year were £5,643

**SARUM ST MICHAEL EDUCATIONAL CHARITY**  
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**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