

**CHARITY COMMISSION  
COPY**

**Sion  
College**

**Annual Report and Accounts**

31 December 2016

Charity Registration Number  
306142

CHARITY COMMISSION  
FIRST CONTACT

16 MAY 2017

ACCOUNTS  
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## Reference and administrative information Year to 31 December 2016

<b>Governors</b>	The Revd Kevin Morris (President) The Revd Paul Bagott Lady Brewer (resigned June 2016) The Revd Graham Buckle The Revd George Bush William Chapman Esq The Revd Philip Chester (resigned April 2016) The Revd Jeremy Crossley The Revd Matthew Duckett The Revd Laura Jørgensen The Revd Dr Alison Joyce (appointed April 2016) The Revd Brian Leathard The Revd Eileen McGregor Sir Michael Pownall (appointed June 2016)
<b>Honorary Librarian</b>	The Revd Gillean Craig
<b>Finance Committee</b>	The Revd Eileen McGregor (Chair) The Revd George Bush The Revd Matthew Duckett (appointed April 2016) The Revd Kevin Morris (resigned April 2016) David Scott Esq
<b>Grants Committee</b>	The Revd Laura Jørgensen (Chair) The Revd Philip Chester (resigned April 2016) The Revd Matthew Duckett The Revd Jeremy Crossley The Revd Dr Alison Joyce (appointed April 2016) The Revd Brian Leathard (appointed April 2016) Sir Michael Pownall (appointed April 2016)
<b>Honorary Treasurer</b>	The Revd Eileen McGregor
<b>Honorary Curator</b>	The Revd Philip Chester
<b>Registered office</b>	Faith House 7 Tufton Street London SW1P 3QB

## Reference and administrative information Year to 31 December 2016

**Charity registration number** 306142

**Independent examiner** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Unity Trust Bank Plc  
Nine Brindleyplace  
4 Oozells Square  
Birmingham  
B1 2HB

**Investment managers** Investec Wealth & Investment Limited  
2 Gresham Street  
London  
EC2V 7QP

## **Annual Report of the Court of Governors Year to 31 December 2016**

The Court of Governors, who are also the trustees of the charity, present their statutory report together with the accounts of Sion College for the year to 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out on pages 14 to 17 of the attached accounts and comply with 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2016 or later.

### **ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES**

#### **Charitable objectives and activities**

The College's charitable objectives as expressed in its Constitution are as follows:

- a. The charitable purposes of the Church of England.
- b. Learning, in particular among Fellows, Members and Associates (formerly known as Readers) of the College.

In furtherance of these objects the College has the power under an Amending Order in Council dated 26 June 1996:

- a. To promote fellowship among Fellows, Members and Associates (formerly known as Readers) of the College.
- b. To provide instruction and to do such other things, including the holding and sponsoring of lectures and discussions, as shall promote learning.
- c. To provide, equip and maintain premises.

The College makes grants to a range of charities and charitable activities in accordance with the College's grant making policies, as set out below.

In setting the College's objectives and planning its activities, the governors have given consideration to the Charity Commission's general guidance on public benefit.

#### **Grant making policy**

A priority for the College is the personal development and refreshment of the clergy by our grant-making programme which is open to clergy in active ministry within the M25 who are Fellows or Members of Sion College.

Currently the maximum grant available to individuals is £1,000 (2015 - £1,000) and is awarded to fund study leave, courses, research and other innovative projects.

Applicants must complete an application form and grants are not normally made to an individual more than once in a two year period, and are not made for courses already underway.

Applications are considered by the Grants Committee at its meetings which occur three times a year and members of the Grants Committee may ask to meet with applicants to discuss their proposals.

## **Annual Report of the Court of Governors Year to 31 December 2016**

In addition, we offer a subscription to a number of central London libraries, including King's College. Book grants were also offered to newly ordained deacons serving within the M25.

Further details of the College's grant making is included in Appendix A to the accounts.

### **Investment policy**

The objectives of the policy are to ensure the creation of sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of and, if possible, enhancement of the value of invested funds while they are retained. Both capital and income may be used at any time for the furtherance of the charity's aims. We observe the Church of England's ethical investment standards.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of activities**

#### ***President's report (the Revd Kevin Morris)***

In the last two years, the College has settled well into its new 'home,' our office at Faith House in Westminster. The role of the Administrator is key in the day-to-day running of the College, and Jeremy Smith has done an exceptionally good job in improving our organisational processes, supporting the governors, helping to implement our programme of events and, importantly, getting to know the Fellows and Members, which has been greatly appreciated.

The Court of Governors work hard to produce an imaginative programme and it is inspiring to participate in conversations in which their passion and dedication for the work of the College is so evident. Each event has its own set of challenges, but they are always organised with panache and with a very real desire to serve and support our clerical brothers and sisters in their life and ministry. I am grateful to the Court for their patience and practical help to me in my year as President and particularly to the Immediate Past President, Paul Bagott and the Senior Dean, Laura Jørgensen, for their encouragement and wisdom.

Last year we held our first Past Presidents' dinner, which gave the Court the opportunity to thank all those who helped shape the life of the College over many years. Our earliest living Past President is Richard Chartres and his knowledge and understanding of the Collège has made him an invaluable help and support as our Episcopal Visitor. We are also pleased to report that due to the gracious ministrations of Bishop Richard and Caroline, those Sion College portraits, which had previously been displayed in the Wax Chandlers Hall, have now joined their companions at the Old Deanery, where the entire collection is now housed. We send our heartfelt thanks, along with our good wishes and prayers to Bishop Richard and Caroline in their retirement.

## Annual Report of the Court of Governors Year to 31 December 2016

At its meeting in October, the Court received a presentation from a charity lawyer, giving an update on recent changes in the law affecting the College and re-stating the key responsibilities of its governors. Consequently, a committee of four Court members has been appointed to review the College's Charter, statutes and byelaws with a view to updating them, and to ensure the Court produces and reviews the necessary policies. A meeting was held with the Head of Secretariat & Deputy Clerk of the Privy Council to clarify the procedure for updating the Charter and Statutes. The work is ongoing and should be concluded in the coming year. Any changes to the constitution will be brought to a meeting of the Fellows for discussion and vote.

Since our last AGM we have held the first 'Sion College Lecture' at Lambeth Palace on our Founders Day, beginning with Evensong in the Chapel. Our speaker was the distinguished diplomat Sir Sherard Cowper-Coles, former Ambassador to Israel and to Saudi Arabia, and former Special Representative to Afghanistan and Pakistan. He spoke on the title, 'What do Jihadis want?' and it proved to be an immensely successful evening, with a hugely stimulating talk and discussion. It was the inspiration for a continuing 'global' theme for this lecture series. This year, we have invited Lord Lisvane, former Clerk of the House of Commons, to give the second 'Sion College Lecture' on the 3rd July.

Sion College is committed to 'godly learning and fellowship' among clergy and as a result we hope to provide a safe place for discussion, and a programme that covers a wide range of events on a variety of subjects. I am pleased to report that these have received a great deal of interest, to the extent that we had to increase capacity (when we were able) for many of them. We are very grateful to our speakers and hosts for some outstandingly good content and exceptional hospitality.

The College has made a series of visits. In the year of the Queen's 90th birthday, we were welcomed to the Chapels Royal: the Queen's Chapel, with a guided tour by the Surveyor of the Queen's Pictures, Desmond Shawe-Taylor; and the Chapel of St Peter ad Vincula at the Tower of London, for a 'Tudor' Choral Evensong and lecture by Tracy Borman on Thomas Cromwell, (who was buried nearby). Also to King's College, Cambridge, where after a tour of the Chapel, the Dean, Stephen Cherry, gave a captivating talk on 'The Dark Side of the Soul,' to the V&A for the 'Opus Anglicanum' exhibition and, in the year marking the 400th anniversary of Shakespeare's death, to the Globe Theatre for a study morning with Bishop Rowan Williams and Professor Graham Holderness.

We are mindful of the stress on clergy family life and the pressures that often fall on the family budget. Our annual family day visit to the Pantomime proves as popular as ever and incites the most profuse and appreciative feedback.

Other seminar suppers included topics which allowed us to keep up to date in Biblical and theological learning: Professor Paul Joyce (King's College London) spoke on recent approaches to reading the Old Testament; Dr Lincoln Harvey (St Mellitus College) on new thinking in Christology; Bishop Richard Harries on a theology of suffering and Dr David Grumett (University of Edinburgh) on a theology of food.

Over the last three years we have been committed to offering reflections on the nature of priesthood in a changing Church. Bishop Ric Thorpe and Dr David Hoyle (Dean of Bristol Cathedral) helped us to engage at a deeper level in some of the issues now facing the Church of England.

## **Annual Report of the Court of Governors Year to 31 December 2016**

Dame Gillian Beer (formerly Professor of English at Cambridge) spoke inspiringly about the works of Virginia Woolf; Dame Helen Ghosh (Director of the National Trust) tackled, in a personal and most informative way, concepts of Leadership and Change; the Revd Scott Gunn (Episcopalian priest) challenged us in our use of social media; Jeremy Browne (the City's special representative in Europe) helped us look at our relations with Europe post-Brexit; the journalist Luke Harding provoked and stimulated us in his talk on Putin's Russia and its extra mural relationships. We also spent time reflecting on the issues involved among refugees and immigration at the Cardinal Hume Centre and considering good practice in our pastoral responses to people of transgender with Revd Dr Christina Beardsely and the Revd Robin Pfaff.

As we progress through this year, we have visits to the House of Lords, Chiswick House Gardens (birthplace of the English Landscape Movement) and Leicester Cathedral and their asylum seekers project. We will continue our reflections on literature with Judith Maltby, and poetry with Malcolm Guite; the nature of priesthood and leadership with Hilary Ison; and pastoral issues relating to mental health with Neil Bunker. In this year of the 500th anniversary of the Reformation, we have a lecture from Lyndal Roper (Regius Professor of History at Oxford) on Martin Luther and will also visit Germany, to places associated with Luther as well as taking the opportunity to liaise with Lutheran church communities there.

Once again, may I thank the Court members for their unstinting commitment, hard work and generous donation of time to the life of the College and for creating such an imaginative and resourceful series of events. And may I take this opportunity to encourage you to participate in as many of these events as you are able.

### ***Curator's report (the Revd George Bush)***

Since the vacating of the Sion College building on the Embankment, retained and historic artefacts have enjoyed a peripatetic and often neglected life! During 2016 the Court conducted a survey of its holdings of silver and sought extensive professional curatorial and sales advice. It had long been apparent that opportunities for using the large quantities of table flat ware were always going to be limited – and perhaps becoming more so. The Court concluded that where silver bore the image of the Good Samaritan (the College's distinctive crest) or was associated in some way with a significant donation and was ornamental, it would be retained; but where it was purely part of a previous practice of dining and drinking it would be offered for sale. The sale is being conducted discreetly and privately among collectors by our agent. We remain very grateful to the Rector and churchwardens of St Margaret, Lothbury who are housing the silver for us.

Since ending our association with the Wax Chandlers' Company we have been seeking to remove our paintings from those premises and unite them with the collection (mostly of bishops of London) at the Old Deanery. This has been fraught with logistical problems but is close to resolution. The entire collection (including some paintings at our offices) will then be catalogued, valued, insured and, where necessary, restored. We believe that keeping (almost) the entire collection together and at the Old Deanery represents both a happy solution and the best chance of care and security in one location.



## **Annual Report of the Court of Governors Year to 31 December 2016**

### ***Grants committee report (the Revd Laura Jørgensen)***

As Chair of the Sion College Grants committee I am pleased that there was a slight increase in applications for grants this year. A total of £19,939 was awarded (2015 - £15,532). The Lambeth Palace Library grant was increased from £1,500 to £2,000 this year in recognition of the extensive restoration programme being undertaken on the Sion College Collection. A report on a Court visit to see this restoration work has been published on the College website. A grant of £1,000 was awarded to ALMA to encourage the link between the Diocese of London, Mozambique and Angola.

Sixteen people were awarded retreat grants to either Gladstone's Library or the Society of Mary and Martha at Sheldon. Seven members were awarded library grants, two were awarded course grants and thirteen grants were given for Study Leave. Study leave was taken by Fellows and Members in Rwanda, in the Holy Land, in the Caribbean, in the Greek Islands, in Scotland and other places around the globe. Subjects studied were diverse, including conflict resolution, funerary monuments and pilgrimage. It is a condition of Course and Study Leave grants that a report is written. With the advent of the new website we also ask for a photograph so that reports may be published online. Those who do not submit a report will not be considered for further grants in the future.

We would like to encourage Fellows and Members to apply for grants. Although the primary aim of the College is fellowship, our grant making activities offer educational opportunities, or simply the possibility of rest and refreshment in the midst of a busy ministry.

## **FINANCIAL REVIEW**

### **Results for the year**

A summary of the year's results can be found on page 12 of this report and accounts.

The accounts for 2016 show a net increase in funds of £396,496 (2015 – net decrease of £40,942) including net gains on investments of £377,643 (2015 – net losses on investments of £34,316).

The total net assets in the balance sheet of £3,865,605 (2015 – £3,469,109) are stated at market value and funds are unrestricted.

It is confirmed that the College's anticipated income for the coming year is adequate to fulfil the objectives of the College.

### **Treasurer's report (the Revd Eileen McGregor)**

Sion College's operations fall broadly into three categories; events, grant-making and administration. The large and growing size of the membership across several dioceses makes some of this unpredictable, even against robust budgeting. The operating surplus shown in the 2016 accounts of £18,853 (2015 – operating loss of £6,626) is due mainly to prudent budgeting of events and grant-making coming in significantly below budget.

This is the second full year in which, as a result of a decision of the Court, we have paid investment management costs from our investment income, rather than from capital and so our asset base has not been raided. This is consistent with a policy to take a long view of the College's likely continued success.

## **Annual Report of the Court of Governors Year to 31 December 2016**

Our investment manager at Investec reports: "The investment portfolio is managed on a balanced basis to provide the Charity with a healthy income and growth in the assets over the medium to long term. At the end of 2016, the investment portfolio was valued at £3.74m, having produced a net income of just under £100,000. During the twelve month period, the portfolio produced a total return of 14.23%. The benchmark over the same period rose by 17.64%. The effect of Brexit impacted some of the domestic plays in the UK, while the overseas assets performed well, particularly in the United States and Europe. Japan was disappointing as a result of currency volatility."

### **Reserves policy**

It is the policy of the College to maintain unrestricted funds and to produce annually a budget based upon the forecast income. Currently the College projects are short term and the required funds are spent in the budget year with some funds carried forward into future years to fund specific projects. A contingency reserve is also included in the annual budget to meet any unforeseen expenditure.

At 31 December 2016 the free reserves of the College (i.e. those unrestricted funds not designated for specific purposes or held as fixed asset investments) amounted to £127,737 (2015 – £115,503).

### **FUTURE PLANS**

The Court of Governors will keep the programme under revision and will undertake new initiatives to cater for the membership of the College.

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

Sion College is registered on the Central Register of Charities maintained by the Charity Commission for England and Wales, under registration number 306142.

The College received a Royal Charter from King Charles I in July 1630, modified by Charters, Acts and Orders in Council over the subsequent centuries.

### **Organisation and Governance**

The names of the governors who served during the period are set out as part of the reference and administrative information on page 1.

The government of the College is vested in the Court of Governors.

The Court of Governors controls and manages the affairs of the College and may exercise on behalf of the College all powers vested in the College and administer its property and income.

The Court of Governors meets on a regular basis; during 2016 ten (2015 – ten) Court meetings were held.

## **Annual Report of the Court of Governors Year to 31 December 2016**

### ***Recruitment and appointment***

The Court of Governors is elected annually at each Annual General Meeting from amongst the Fellows of the College.

### ***Induction and training***

The College recognises that new and current governors should be aware of the College's charitable purposes, mode of operation, plans, policies and costs.

The governors are provided with appropriate updates relating to matters impacting upon charity law and the running and administration of the College from their professional advisers. They also attend external training events where appropriate.

### **Governors' responsibilities statement**

The governors are responsible for preparing the Court of Governors' report and accounts 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 governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the College and of the incoming resources and application of resources of the College for that period. In preparing these accounts, the governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the governing documents. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

## Annual Report of the Court of Governors Year to 31 December 2016

### Key management personnel

The members of the Court of Governors consider that they comprise the key management of the College in charge of directing and controlling, running and operating the charity on a day to day basis.

The members of the Court of Governors receive no remuneration in connection with their duties.

### Risk management

The trustees have examined the major risks which the College faces, in particular those related to the operations and finances of the College, and confirm that systems are in place to mitigate the College's exposure to the major risks. The key areas currently identified are as follows:

- ♦ Finance: The College investment portfolio is professionally managed, by Investec Ltd with a wide spread of investments aiming for a balance between long term capital growth and income. The cautious approach to investment is designed to minimise the risk of severe losses in the event of a stock market collapse. Short term needs are covered by maintaining adequate cash reserves. The risk of overspending is mitigated by regular review of expenditure against a detailed annual budget. All expenditure through the bank is made on a dual signatory basis. The College accounts are prepared annually and independently examined.
- ♦ Data protection: There is a risk in connection with keeping electronic records. Data privacy is mitigated through the IT infrastructure (the College computer is not in any internal or external network). Protection against loss of data is maintained through regular backups onto a secure external hard drive which is held securely off-site. The risk of data corruption by viruses or similar dangers via the Internet is mitigated by the use of good virus protection software, which is regularly updated, and by the services, if and when required, of a professional IT services agency. The Administrator also adopts a cautious approach to the use of email and the internet on the College computer.

Signed on behalf of the Court of Governors:



Governor

Approved by the Court of Governors on:

27<sup>th</sup> April 2017

## **Independent auditor's report Year to 31 December 2016**

### **Independent examiner's report to the Court of Governors of Sion College**

I report on the accounts of Sion College for the year ended 31 December 2016 which are set out on pages 12 to 22.

### **Respective responsibilities of trustees and examiner**

The governors are responsible for the preparation of the accounts. The governors consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- ◆ examine the accounts under section 145 of the 2011 Act;
- ◆ to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- ◆ to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
  - ◆ to keep accounting records in accordance with section 130 of the 2011 Act; and
  - ◆ to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Shachi Blakemore, ACA  
Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

# Statement of financial activities Year to 31 December 2016

	Notes	Total funds 2016 £	Total funds 2015 £
<b>Income:</b>			
Donations		361	755
Income from charitable activities			
. Functions and educational visits and database receipts		13,175	15,231
Income from other trading activities			
. Subscriptions		10,150	9,317
Investment income	1	125,089	116,368
<b>Total income</b>		<b>148,775</b>	<b>141,671</b>
<b>Expenditure:</b>			
Cost of raising funds	2	34,560	37,219
Expenditure on charitable activities			
. Promotion of learning and fellowship amongst the clergy of the Church of England	3	95,362	111,078
<b>Total expenditure</b>		<b>129,922</b>	<b>148,297</b>
<b>Net income (expenditure) before gains and losses on investments</b>		<b>18,853</b>	<b>(6,626)</b>
Net gains (losses) on investments	10	377,643	(34,316)
<b>Net income (expenditure) and net movement in funds for the year</b>		<b>396,496</b>	<b>(40,942)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		3,469,109	3,510,051
Total funds carried forward		<b>3,865,605</b>	<b>3,469,109</b>

All of the College's activities derived from continuing operations during the above two financial periods.

All gains and losses recognised in the year are included in the above statement of financial activities.

All income recognised during the above two financial periods related to unrestricted funds.

# **Balance sheet as at 31 December 2016**

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets:</b>					
Investments	10		3,737,868		3,353,606
<b>Current assets:</b>					
Debtors	11	4,938		4,325	
Short term deposits		56,976		56,639	
Cash at bank and in hand		73,036		59,414	
		<u>134,950</u>		<u>120,378</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	(7,213)		(4,875)	
<b>Net current assets</b>			<u>127,737</u>		<u>115,503</u>
<b>Total net assets</b>			<u>3,865,605</u>		<u>3,469,109</u>
<b>The funds of the charity:</b>					
Unrestricted income funds			<u>3,865,605</u>		<u>3,469,109</u>
			<u>3,865,605</u>		<u>3,469,109</u>

Approved by the Court of Governors  
and signed on their behalf by:

Governor

Approved on:

*Kpn / omis*  
27<sup>th</sup> April 2017

## **Principal accounting policies 31 December 2016**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### **Basis of preparation**

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the governors to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include the allocation of support costs.

### **Assessment of going concern**

The governors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The governors have made this assessment in respect to a period of one year from the date of approval of these accounts.

The governors of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The governors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2017, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.



## Principal accounting policies 31 December 2016

Income comprises donations, income from charitable activities, income from other trading activities and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from functions and educational visits is recognised when the charity has entitlement to the income; this is usually when the function or visit has taken place.

Income from subscriptions is recognised in the period in to which the subscription relates.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Costs of raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees and an allocation of support costs.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, the costs of functions, educational visits and other events, and an allocation of support costs.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

Expenditure is stated inclusive of any attributable VAT which cannot be recovered.

## **Principal accounting policies 31 December 2016**

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of personnel development, financial procedures, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including independent examination costs) and costs in respect to its compliance with regulation and good practice.

Where possible, support and governance costs are charged to a specific activity and the balance is allocated on the basis of estimates attributable to that activity in the year.

### **Fixed asset investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

### **Cash at bank and in hand and short term deposits**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

### **Fund structure**

The unrestricted income funds represent funds available for the general charitable purposes of the charity at the discretion of the Court of Governors.

Restricted funds comprise monies raised for, or their use restricted to a specific purpose or contributions subject to donor imposed conditions.

## **Principal accounting policies 31 December 2016**

### **Heritage assets**

Heritage assets have historic, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for its contribution to knowledge and culture.

The College holds a number of historic assets, including a unique collection of paintings, together with books, manuscripts and other artefacts. These assets are held on trust in perpetuity as a permanent record of the College's history. They are irreplaceable originals, whose intrinsic value is also bound up in the College's history. There is no market for these items and so reliable cost or value can be attributed to them, and accordingly they have not been included on the balance sheet.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

### **Cash flow**

The financial statements do not include a cash flow statement because the charity is exempt from the requirement to prepare such a statement under the Charities SORP (FRS102) Update Bulletin 1.

## Notes to the accounts

### 1 Investment income

	Unrestricted	
	2016 £	2015 £
Dividends and interest from investments	124,730	116,082
Interest on short term deposits	337	236
Interest on current account balance	22	50
	<b>125,089</b>	<b>116,368</b>

### 2 Cost of raising funds

			Unrestricted	
	Direct costs £	Support costs (note 6) £	2016 £	2015 £
Donations	—	1,627	1,627	2,203
Members' subscriptions	—	6,510	6,510	8,881
Investment management costs	25,567	856	26,423	26,135
	<b>25,567</b>	<b>8,993</b>	<b>34,560</b>	<b>37,219</b>

### 3 Expenditure on charitable activities

	Unrestricted		Restricted			
	Direct costs £	Support costs (note 6) £	Direct costs £	Support costs (note 6) £	2016 total £	2015 total £
Promotion of learning and fellowship amongst the clergy of the Church of England						
Grants payable (note 4)	19,939	4,711	—	—	24,650	21,919
Functions and educational visits and debates	41,261	14,132	—	—	55,393	80,979
Annual feast	10,608	4,711	—	—	15,319	8,180
<b>Total 2016 funds</b>	<b>71,808</b>	<b>23,554</b>	<b>—</b>	<b>—</b>	<b>95,362</b>	<b>111,078</b>
<b>Total 2015 funds</b>	<b>74,968</b>	<b>31,933</b>	<b>4,177</b>	<b>—</b>	<b>111,078</b>	

## Notes to the accounts

### 4 Grants payable

	2016 £	2015 £
<b>Research and sundry grants</b>		
Lambeth Palace Library	2,000	1,500
ALMA	1,000	—
Retreat study grants – 16 awarded (2015 – 14)	3,119	2,112
Library membership grants – 7 awarded (2015 – 3)	420	120
Research and educational grants – 2 awarded (2015 – 5)	1,000	1,450
	<b>7,539</b>	<b>5,182</b>
<b>Grants for study leave</b>		
Study leave – 13 awarded (2015 – 12)	12,400	10,250
<b>Book grants</b>		
Book grants to Deacons – none awarded (2015 – 1)	—	100
<b>Total grants payable</b>	<b>19,939</b>	<b>15,532</b>
Support costs	4,711	6,387
	<b>24,650</b>	<b>21,919</b>
<b>Grants payable to:</b>		
. Institutions	3,000	1,500
. Individuals	16,939	14,032
	<b>19,939</b>	<b>15,532</b>

### 5 Staff costs and remuneration of key management personnel

	Direct costs £	Support costs £	2016 £	2015 £
Salaries and wages	14,933	—	14,933	16,189
Pension costs	896	—	896	896
Freelance contractor costs	—	—	—	1,319
	<b>15,829</b>	<b>—</b>	<b>15,829</b>	<b>18,404</b>

The charity employed 1 member of staff during the year and no freelance contractors (2015 – one member of staff and one freelance contractor).

No employee earned more than £60,000 per annum in 2015 and 2016.

The members of the Court of Governors consider that they comprise the key management of the College in charge of directing and controlling, running and operating the charity on a day to day basis.

The members of the Court of Governors receive no remuneration in connection with their duties.

## Notes to the accounts

### 6 Support costs

The breakdown of support costs and how these are allocated are shown below:

	Cost of raising funds				
	Donations and sub- scriptions £	Investment manage- ment costs (note 2) £	Charitable activities (note 3) £	2016 total £	2015 total £
Premises	1,506	60	4,456	6,022	10,752
Administrative					
. Secretary (note 5)	3,957	475	11,397	15,829	18,404
. General administrative expenses	180	22	521	723	1,415
Governance costs (note 7)	1,488	179	4,288	5,955	2,937
General					
. Other expenses	1,004	120	2,892	4,016	10,545
<b>Total 2016 funds</b>	<b>8,135</b>	<b>856</b>	<b>23,554</b>	<b>32,545</b>	<b>44,053</b>
<b>Total 2015 funds</b>	<b>11,014</b>	<b>1,106</b>	<b>31,933</b>	<b>44,053</b>	

Cost allocation includes an element of judgement and the College has had to consider the cost benefit of detailed calculation and record keeping. Where possible, support costs are charged to a specific activity and the balance has been allocated on the basis of estimates attributable to that activity in the year.

### 7 Governance costs

	2016 £	2015 £
Court expenses	2,666	1,571
Legal fees	1,299	(1,344)
Independent examiner's remuneration		
. Independent examination fee	1,600	1,620
. Prior year over-accrual	(610)	—
. Other services	1,000	1,090
	<b>5,955</b>	<b>2,937</b>

### 8 Trustees' remuneration and related party transactions

Members of the Court of Governors received no remuneration (2015 – nil). £25 was reimbursed to one member of the Court for directly incurred expenses (2015 – three members were reimbursed £54).

### 9 Taxation

Sion College is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## Notes to the accounts

### 10 Investments

	2016 £	2015 £
Market value of listed investments at 1 January	3,182,041	3,252,423
Acquisitions at cost	469,195	532,444
Disposals at market value (proceeds £335,172; realised gains £20,399)	(314,773)	(551,084)
Net gains (losses) on revaluation at 31 December	357,244	(51,742)
<b>Market value of listed investments as at 31 December</b>	<b>3,693,707</b>	<b>3,182,041</b>
Cash held for investment	44,161	171,565
<b>Total market value of investments at 31 December</b>	<b>3,737,868</b>	<b>3,353,606</b>
<b>Historical cost of listed investments as at 31 December</b>	<b>2,794,287</b>	<b>2,651,982</b>

Listed investments held at 31 December comprised the following:

	2016 £	2015 £
UK equities	1,528,302	1,449,014
Fixed interest securities	699,578	586,281
Property unit trusts	410,496	368,528
Overseas equities	785,540	674,113
Alternative assets	269,791	104,105
	<b>3,693,707</b>	<b>3,182,041</b>

All listed investments held are dealt in on a recognised stock exchange.

The total unrealised gains as at 31 December constitute movements on revaluation and are as follows:

	2016 £	2015 £
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January	530,059	647,874
Less: in respect to disposals in the year	12,117	(66,073)
Add: net gains (losses) arising on revaluation in the year	357,244	(51,742)
<b>Total unrealised gains at 31 December</b>	<b>899,420</b>	<b>530,059</b>

### 11 Debtors

	2016 £	2015 £
Accrued income	1,371	1,923
Prepayments	3,567	2,327
Other debtors	—	75
	<b>4,938</b>	<b>4,325</b>

## Notes to the accounts

### 12 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	2,849	4,419
VAT	4,364	456
	<b>7,213</b>	<b>4,875</b>

### 13 Operating lease commitments

As at 31 December the College had the following future minimum commitments in respect of non-cancellable operating leases on land and buildings:

	2016 £	2015 £
Payable within:		
One year	4,500	4,500
Two and five years	9,425	13,925



## Appendix A – Grant making policy

### Course and Sabbatical Grants

The College supports the personal and ministerial development of London clergy, making grants to licensed or beneficed clergy who are Fellows or Members of the College and who reside within the boundaries of the M25.

Applicants for Sion College grants must be Fellows or Members of the College, and have been a Fellow or Member for at least two years before the date of application. With limited funding, we look particularly to support with our grant-giving those who are active members of the College.

The Grants Committee meets three times a year to discuss applications and make decisions based on the funds available. Members applying for study leave grants are invited to meet the Grants Committee to discuss their proposal. Please note that these meetings usually take place in Faith House, on the first floor with no lift. If you have any difficulty with this please let us know.

The Administrator would be pleased to give any further information you need. If you believe you may be eligible please complete and return the grant application form, along with any links or information about the proposed course of study.

Two grant application forms are now used. One is for grants for study leave and the other for courses. Please select and submit the correct form. Applications are considered by the Grants Committee at its meetings in February, May and October. We are not able to consider applications which do not meet the deadlines indicated in the table below.

- ◆ Successful applicants may reapply for a further grant after two years have elapsed, however priority will be given to those who have not received any previous grant.
- ◆ Grants are not made for courses or work already in progress.
- ◆ Study leave grants are considered from those whose study leave has been approved by their diocese.
- ◆ Grants are no longer available for formal post-graduate academic study.
- ◆ The decision of the Grants Committee is final and no correspondence will be entered into.

Last date for application	Course/ study beginning	Committee meets
31 <sup>st</sup> December	May to August	February
31 <sup>st</sup> March	September to December	May
31 <sup>st</sup> August	January to April	October

## **Appendix A – Grant making policy**

### **Gladstone's Library and the Society of Mary and Martha**

Members eligible for grants may apply on a bi-annual basis for an up to four-night residential stay at Gladstone's Library or the Society of Mary and Martha at Sheldon. Please submit a grant form to the College Administrator. Once you have received notification from the Administrator that a grant will be awarded please contact Gladstone's Library or the Society of Mary and Martha directly who will invoice Sion College once the dates are confirmed. Please note that members will be responsible for any additional costs above the level of the grant.