

**Sion
College**

Annual Report and Accounts

31 December 2018

Charity Registration Number
306142

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Reference and administrative information Year to 31 December 2018

Governors	The Revd Graham Buckle (President) The Revd Paul Bagott The Revd Anthony Ball William Chapman Esq (resigned April 2018) The Revd Mae Christie (appointed April 2018) The Revd Jeremy Crossley Paul Double Esq (appointed April 2018) The Revd Matthew Duckett The Revd Laura Jørgensen The Revd Dr Alison Joyce The Revd Brian Leathard (appointed April 2018) The Revd Eileen McGregor The Revd Kevin Morris (resigned April 2018) Sir Michael Pownall
Honorary Librarian	The Revd Gillean Craig
Finance Committee	The Revd Eileen McGregor (Chair) The Revd Mae Christie (appointed April 2018) The Revd Matthew Duckett David Scott Esq
Grants Committee	The Revd Dr Alison Joyce (Chair) The Revd Anthony Ball The Revd Graham Buckle (resigned April 2018) The Revd Jeremy Crossley The Revd Matthew Duckett Sir Michael Pownall
Honorary Treasurer	The Revd Eileen McGregor
Honorary Curator	The Revd George Bush
Registered office	Faith House 7 Tufton Street London SW1P 3QB
Charity registration number	306142

Reference and administrative information Year to 31 December 2018

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 CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC2V 4ET

Annual Report of the Court of Governors Year to 31 December 2018

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 2018.

The accounts have been prepared in accordance with the accounting policies set out on pages 15 to 18 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 2015 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 and Members 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 and Members 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; and
- 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 (2017 – £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 2018

In addition, we offer a subscription to a number of central London libraries, including the library at King's College.

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 Graham Buckle)

Amidst the turmoils and eccentricities of the world of politics today, it would appear that our college is in very good health indeed! We are delighted that the Right Rev'd Dame Sarah Mullally, Lord Bishop of London, is the Episcopal Visitor to our college: a role which is both historic and practical. As part of the ceremonial at our Annual Feast, a payment is offered for the Bishop's own meal, by throwing a purse of coins on the table, replicating an act believed to date back to the episcopate of Edmund Gibson (Bishop of London 1723-48). Obviously this is not the only activity that Bishop Sarah will undertake as our Visitor. She will have various practical tasks, including overseeing any appeal against suspension or withdrawal of Fellowship or membership. But let us take this opportunity to offer Bishop Sarah our best wishes, and prayers, as she assumes her new role both in the Diocese and as our Visitor.

This year, our Eucharist before the AGM is in Southwark Diocese, in its Cathedral Church, which illustrates how seriously the court takes our links with the Dioceses that Sion College covers, marking the growing and important partnerships we are keen to develop with all those Dioceses in the London metropolitan area.

I am delighted to endorse this year's excellent annual report. This can only happen through the hard and dedicated work of all those associated with our College: not just those who competently manage our finances, but also those responsible for administering, those who deliver a full and varied programme, as well as all our members. Together we all ensure the development of our college and have a major influence upon the lives and well-being of our clergy.

I am grateful for the hard work of Laura Jørgensen and the team who completed the much needed review and update of our Charter and Statutes last year. These are all now firmly in place, with the working group continuing to review and work on specific policies. I am also grateful to George Bush, for his insights and wisdom as our curator and to our honorary Librarian, Gilleen Craig.

Annual Report of the Court of Governors Year to 31 December 2018

I would like to record my heartfelt thanks to the whole Court for their hard work in guiding the College through this past year. We have worked hard to ensure a full and varied programme, and, I believe, have created a congenial and happy atmosphere both with the Court and our fellowship together. I would particularly like to thank our Lay Fellows, Sir Michael Pownall, former Clerk of the Parliaments in the House of Lords and Paul Double, Remembrancer of the City of London. They provide an important diversity to the perspective of the Court and we are fortunate to be able to call on such high calibre of people for their help and insights. I am indebted to Eileen McGregor, not just in her dual role as Senior Dean and Honorary Treasurer, but for her enthusiastic support during my year as President. Thanks must be extended to my predecessor, Laura Jørgensen, for her support and dedicated work, and we wish her well as she leaves the court following her year as immediate past president. I am grateful to those mentioned, and all on the Court for their service, enthusiasm and dedicated work.

Behind every great team there is an even greater organiser. One cannot underestimate or take for granted Jeremy Smith's hard work and attention to detail. Our previous president described Jeremy as "our indefatigable Administrator" - and that he truly is. His unwavering support of Sion, its principles and ethos, means that we function effectively and efficiently under his dedicated administration. Jeremy also ensures fairness in ensuring that as many people get in to events as possible, through his excellent management of last minute cancellations and the reserves list. Jeremy has been a marvellous colleague and friend, and I would like to record my personal thanks on behalf of the college to Jeremy.

We had a record number of Fellows and Members apply for places at events in our 2018 programme with over 1,170 places allocated, with most of the events oversubscribed. These events have helped us to reflect, to deepen our knowledge and understanding, and to have fun. Again, the year started with our annual visit to the Pantomime - "oh yes it did!", attracting a record number of Fellows and Members with their families to see "Aladdin" at Richmond Theatre.

We attempted, and I believe succeeded, in providing fresh insights into our world, its politics and its people. We considered issues of racism in the wonderful setting of Mr Speaker's Chambers, and an evening in the Sloane Club with Sir Stephen Wall guiding us through the complexities of Brexit couldn't have been timed better! We also examined the baby boomers, journalism, and the Coptic Orthodox Church, and Terry Waite reflected with us on 'Solitude'. The engaging Lucy Winkett and enigmatic Trevor Dennis guided and gave us fresh insights for our preaching ministry, together with an excellent evening with Andrew Nunn speaking honestly about preaching through Lent.

A wide range of enlightening visits included our inaugural science lecture and visit to the Royal Astronomical Society last year. And early this year Roger Trigg guided us through the complex relationship between science and religion. Last year we had some memorable visits to Canterbury Cathedral, Watts & Co, the new Queen's Diamond Jubilee Galleries at Westminster Abbey and the Dickens Museum. A personal highlight was the trip to the Tudor rooms at Hampton Court Palace followed by a gloriously sunny boat trip to Richmond and a marvellous lecture by Tracy Borman. This year we have already had a fascinating guided tour of the Mithraeum, and a wonderful visit to the Supreme Court, followed by tea at Westminster Abbey, with Baroness Hale of Richmond, brightening our afternoon and minds.

Annual Report of the Court of Governors Year to 31 December 2018

We have tried in recent programmes, to pay close attention to the major socio-political issues that our world faces, so Amanda Mukwashi, CEO of Christian Aid, addressed the College on poverty and development issues, and Bishop Nick Holtam is to give a lecture on Climate Change. It is also important to note that in 2018 we saw for the first time a wonderful evening of stand-up comedy with Paul Kerensa and our first ever cricket trip to the Oval. A truly memorable time for the College.

We, of course, still have much to look forward to in this coming year 2019 for our College. We appreciate the need for more reflection to support our ministries, so Anna Matthews and Cally Hammond will provide some thought-provoking and interesting talks. Also Ian Dyson, the City of London Police Commissioner is providing some insights on 'The invisible thief: how do we tackle fraud?'. Bishop Karwei Dorgu will be examining African Christianity in the UK. And we shall be having a morning trip in a classic London bus and a guided walk reflecting on the story of London and the Thames, providing yet more variety and diversity within our excellent programme.

The College organises a major foreign visit every other year, and the Court has been working hard on our next study visit and pilgrimage to Armenia, which is set for September this year. We hope to visit Echmiadzin and Hripsime Cathedral amongst other places. This will be an arduous but exciting trip we are very much looking forward to.

We have established a strong pattern for Founder's Day of Evening Prayer followed by the Sion College Lecture at Lambeth Palace. Lord Judge, former Lord Chief Justice speech on the rule of law was both engaging and challenging. We are very excited to welcome Baroness Manningham-Buller, LG DCB, former Director General of MI5, the British internal security service to this year's Founder's Day, on 9 July 2019.

The Court always welcome suggestions for future events. The programme for 2020 will be considered at our planning meeting in June this year. This is my thirtieth year in ordained ministry in London Diocese, and for much of that ministry I have been a member of Sion College, which has sustained, fed and supported me in the highs and lows of that ministry. With fun, fellowship and education, Sion has provided the necessary insights and collegiality to sustain me personally. Therefore I feel an enormous sense of pride and honour to have served you as your President this past year, to be able to give back something for which I have greatly received over the years. I very much look forward to another year of 'godly Fellowship and sound learning'.

Curator's report (the Revd George Bush)

Having only – and after a number of decades of aspiration – brought all the College's portraits together to adorn the Old Deanery (save that of our Founder which looms over the Administrator in every working hour), we were slightly discommoded when the decision to refurbish the Old Deanery meant that the portraits had to be removed into store. We are assured that this has been done with very great care and the bill met by the Church Commissioners. We are allowed to believe that the pictures will be restored to the Old Deanery when the bishop begins occupation there.

We have continued to dispose of items of silver deemed to be purely associated with old habits of dining. This task is almost at an end.

Annual Report of the Court of Governors Year to 31 December 2018

Grants committee report (the Revd Alison Joyce)

In 2018, the Grants Committee awarded a total of £19,524.

This included the regular annual donation of £1,000 to ALMA, and the annual conservation grant to Lambeth Palace Library which in 2018 the committee, with the approval of the full Court, decided to increase on this occasion to £5,000, from the budgeted figure of £2,500.

A total of £11,050 was paid out in sabbatical and study leave grants. In addition, two course grants were awarded totalling £600, and £1,634 was given to individuals undertaking retreats at either Sheldon or Gladstone's Library. The take-up of library membership grants remained low (four were awarded, totalling £240).

During 2018, the Committee reviewed the terms and conditions of its awarding of grants, to establish clearer guidelines when responding to applications.

One of the two central aims of Sion College is to promote fellowship amongst its clergy (The College has a policy of varying the days and times when its organised events take place, to facilitate attendance by as wide a range of members as possible). For this reason, a candidate's level of engagement with, and contribution to, the life of the College, will now be taken into account when grant applications are considered. Alongside this, the educational value (and likely benefit to the candidate's ministry) of the applicant's proposed sabbatical activity/course of study, and whether it represents reasonable value for money, are also considered.

With regard to grants for those wishing to make use of theological libraries, such as Kings College Library, Sion College Fellows and Members can now apply for such grants from the start of their membership (which we hope will encourage more applications of this kind). In the event of the number of applications exceeding the budget set within any one calendar year, awards will normally be made on a first come, first served basis.

The fully revised grants policy is contained in Appendix A to this report.

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 13 of this report and accounts.

The accounts for 2018 show a net decrease in funds of £246,091 (2017 – net increase of £304,486) including net losses on investments of £262,328 (2017 – net gains of £239,478).

The total net assets in the balance sheet of £3,924,360 (2017 – £4,170,451) are stated at market value and all 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 generally 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.

There is an operating surplus shown in the 2018 accounts of £16,237 (2017 – £65,368) In 2017 there was an additional category of 'Other income' of £26,075 which comprised a one-off VAT rebate of £15,583, together with £10,492 from sale of items of silver, hence the unusually high figure. The Court of Governors plans to use some of the accumulated surplus towards funding the increased cost of events, and possibly increasing grants, in 2019.

Our investment manager at Investec reports: During the calendar year 2018, the Sion College portfolio produced a total return of -3.81% (net of fees) or -3.12% (gross). The bespoke benchmark fell by 3.11%. Over the same period the FTSE100 fell by 8.7% and the FT world index fell by 3.1%, total return. As per last year, we saw a strong performance in the UK against the relative indices while the overseas exposure was behind the benchmark, mainly due to a disappointing performance in Japan. In 2018, the portfolio created income of £139,819. This was slightly less than the previous year due to the number of special dividends in 2017.

Reserves policy

It is the policy of the College to maintain unrestricted funds that are at least enough to generate sufficient income for planned activities in the coming year, 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 2018 the net current assets of the College (i.e. those unrestricted funds not designated for specific purposes or held as fixed asset investments) amounted to £58,795 (2017 – £68,189). Investments are excluded from the reserves balance due to their intended use being for the long-term viability of the College and are therefore not deemed to be immediately realisable.

FUTURE PLANS

The Court of Governors will keep the programme under revision and will undertake new initiatives to cater for members 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 2018 ten (2017 – ten) Court meetings were held.

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 income and expenditure of the College for that period. In preparing these accounts, the governors are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Annual Report of the Court of Governors Year to 31 December 2018

- ♦ 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.

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 and CCLA Investment Management Limited, 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.

Annual Report of the Court of Governors Year to 31 December 2018

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). All data protection policies and practices are currently under review in line with the new guidelines under GDPR.

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:

Revd Graham Buckle

Governor

Approved by the Court of Governors on: 9 May 2019

Independent examiner's report Year to 31 December 2018

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 2018 which are set out on pages 13 to 23.

Responsibilities and basis of report

As the charity trustees of the Trust 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 Trust'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:

- accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- 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.

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

15 May 2019

Balance sheet as at 31 December 2018

	Notes	Unrestricted funds	
		Total funds 2018 £	Total funds 2017 £
Income from:			
Donations		—	510
Other income		—	26,075
Charitable activities			
. Functions, educational visits and database receipts		15,678	18,369
Trading activities			
. Subscriptions		10,715	10,687
Investments	1	143,999	143,922
Total income		170,392	199,563
Expenditure on:			
Raising funds	2	35,263	33,670
Charitable activities			
. Promotion of learning and fellowship amongst the clergy of the Church of England	3	118,892	100,525
Total expenditure		154,155	134,195
Net income before gains and losses on investments		16,237	65,368
Net (losses) gains on investments	10	(262,328)	239,478
Net (expenditure) income and net movement in funds for the year		(246,091)	304,486
Reconciliation of funds:			
Total funds brought forward		4,170,451	3,865,605
Total funds carried forward		3,924,360	4,170,451

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.

Balance sheet as at 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets:					
Investments	10		3,865,565		4,102,262
Current assets:					
Debtors	11	9,666		16,781	
Short term deposits		7,061		7,026	
Cash at bank and in hand		52,601		49,145	
		69,328		72,952	
Liabilities:					
Creditors: amounts falling due within one year	12	(10,533)		(4,763)	
Net current assets			58,795		68,189
Total net assets			3,924,360		4,170,451
The funds of the charity:					
Unrestricted income funds			3,924,360		4,170,451
			3,924,360		4,170,451

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

Revd Graham Buckle

Governor

Approved on: 9 May 2019

Notes to the accounts

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 2019, 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

All 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.

Notes to the accounts

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

- ◆ 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.

Notes to the accounts

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 best 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.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

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.

Notes to the accounts

Financial instruments

The College only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the College and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank and short term deposits – classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

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 no 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.

Statement of cash flows

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 (FRS 102) Update Bulletin 1.

Notes to the accounts

1 Investment income

	Unrestricted	
	2018	2017
	£	£
Dividends and interest from investments	139,819	141,583
Interest on short term deposits	4,180	2,339
Interest on current account balance	—	—
	143,999	143,922

2 Expenditure on raising funds

	Direct costs £	Support costs (note 6) £	Total Un-restricted 2018 £	Direct costs £	Support costs (note 6) £	Total Un-restricted 2017 £
Donations	—	2,170	2,170	—	1,540	1,540
Members' subscriptions	—	8,681	8,681	—	6,162	6,162
Investment management costs	23,254	1,158	24,412	25,146	822	25,968
	23,254	12,009	35,263	25,146	8,524	33,670

3 Expenditure on charitable activities

	Direct costs £	Support costs (note 6) £	Total Un-restricted 2018 £	Direct costs £	Support costs (note 6) £	Total Un-restricted 2017 £
Promotion of learning and fellowship amongst the clergy of the Church of England						
. Grants payable (note 4)	19,524	6,279	25,803	16,305	4,456	20,761
. Functions and educational visits and debates	55,594	18,839	74,433	61,939	13,369	75,308
. Annual feast	12,377	6,279	18,656	—	4,456	4,456
Total funds	87,495	31,397	118,892	78,244	22,281	100,525

Notes to the accounts

4 Grants payable

	2018 £	2017 £
Research and sundry grants		
Lambeth Palace Library	5,000	2,500
ALMA	1,000	2,000
Retreat study grants – 8 awarded (2017 – 15)	1,634	3,095
Library membership grants – 4 awarded (2017 – 6)	240	360
Research and educational grants – 2 awarded (2017 – 2)	600	1,000
	8,474	8,955
Grants for study leave		
Study leave – 12 awarded (2017 – 8)	11,050	7,350
Total grants payable	19,524	16,305
Support costs	6,279	4,456
	25,803	20,761
Grants payable to:		
. Institutions	6,000	4,500
. Individuals	13,524	11,805
	19,524	16,305

5 Staff costs and remuneration of key management personnel

	2018 £	2017 £
Salaries and wages	21,467	15,683
Pension costs	988	941
	22,455	16,624

The charity employed one member of staff during the year (2017 – one).

No employee earned more than £60,000 per annum in 2017 and 2018.

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:

	Raising funds			
	Donations and sub- scriptions £	Investment manage- ment costs (note 2) £	Charitable activities (note 3) £	2018 total £
Premises	1,806	72	5,347	7,225
Administrative				
. Administrator (note 5)	5,613	674	16,168	22,455
. General administrative expenses	97	12	277	386
Governance costs (note 7)	1,432	172	4,124	5,728
General				
. Other expenses	1,903	228	5,481	7,612
Total 2018 funds	10,851	1,158	31,397	43,406

	Raising funds			
	Donations and sub- scriptions £	Investment manage- ment costs (note 2) £	Charitable activities (note 3) £	2017 total £
Premises	1,273	50	3,767	5,090
Administrative				
. Administrator (note 5)	4,156	499	11,969	16,624
. General administrative expenses	413	50	1,191	1,654
Governance costs (note 7)	754	90	2,169	3,013
General				
. Other expenses	1,106	133	3,185	4,424
Total 2017 funds	7,702	822	22,281	30,805

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

	2018 £	2017 £
Court expenses	2,938	288
Independent examiner's remuneration		
. Independent examination fee	1,730	1,680
. Prior year under accrual	—	25
. Other services	1,060	1,020
	5,728	3,013

Notes to the accounts

8 Trustees' remuneration and related party transactions

Members of the Court of Governors received no remuneration (2017 – nil). An amount of £17 was reimbursed to one member of the Court for directly incurred expenses (2017 – none).

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.

10 Investments

	2018 £	2017 £
Market value of listed investments at 1 January	3,993,421	3,693,707
Acquisitions at cost	434,462	365,059
Disposals at market value (proceeds £336,833; realised losses £18,899)	(355,732)	(298,826)
Net gains on revaluation at 31 December	(243,429)	233,481
Market value of listed investments as at 31 December	3,828,722	3,993,421
Cash held for investment	36,843	108,841
Total market value of investments at 31 December	3,865,565	4,102,262
Historical cost of listed investments as at 31 December	3,092,389	3,009,270

Listed investments held at 31 December comprised the following:

	2018 £	2017 £
UK equities	1,627,006	1,781,082
Fixed interest securities	646,534	666,833
Property unit trusts	438,166	437,744
Overseas equities	901,738	819,242
Alternative assets	215,278	288,520
	3,828,722	3,993,421

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:

	2018 £	2017 £
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January	984,151	899,420
Less: in respect to disposals in the year	(4,389)	(148,750)
Add: net (losses) gains arising on revaluation in the year	(243,429)	233,481
Total unrealised gains at 31 December	736,333	984,151

Notes to the accounts

11 Debtors

	2018 £	2017 £
Accrued income	1,248	2,276
Prepayments	8,418	13,035
VAT	—	1,470
	9,666	16,781

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	9,932	4,763
VAT	601	—
	10,533	4,763

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:

	2018 £	2017 £
Payable within:		
One year	4,492	4,900
Two and five years	—	4,525

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 considerations which the Grants Committee will take into account when considering applications for grants and the policies which the Committee will follow have been agreed by the Committee and are set out below.

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.

Appendix A – Grant making policy

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

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.

Grants Committee: Sabbatical or study leave grants

When applications for sabbatical or study leave grants are considered by the Sion College Grants Committee, account will be taken of:

- ◆ The level of engagement with, and contribution to, the wider life of the College, shown by applicants.
- ◆ The educational value of the proposed activities, i.e. in what ways the proposed programme will benefit the applicant and their ministry
- ◆ Financial need and whether the activity to be funded represents reasonable value for money.

The rationale for this policy is that:

- ◆ One of the two central aims of Sion College is to promote fellowship amongst its members. It is therefore assumed that members of the College will play their part in contributing to the College by taking part in its events. In order to facilitate access to events, the College has a policy of varying the days and the times of day when its events take place, to give maximum opportunity for all members to attend at least some of its activities throughout the year.
- ◆ The other central aim is to support the education of clergy with a view to the development of their ministry for the benefit of the church and its mission and ministry in the broadest terms, including ministerial development and sabbatical refreshment
- ◆ Funds are limited and to be used for the wider public benefit requiring some assessment of benefit, need and value.

Appendix A – Grant making policy

Grants Committee: Library Grants

The Grants Committee can receive applications for library grants from Sion College members for theological study. Sion College Fellows and Members can apply for such grants from the start of their membership. In the event of the number of applications exceeding the budget set for this purpose in any one calendar year, awards will normally be made on a first come, first served basis.