

**Sion  
College**

**Annual Report and Accounts**

31 December 2019

Charity Registration Number  
306142

## Contents

### Reports

Reference and administrative information	1
Annual Report of the Court of Governors	3
Independent examiner's report	13

### Accounts

Statement of financial activities	13
Balance sheet	15
Principal accounting policies	16
Notes to the accounts	21

### Appendices

A – Grant Making Policy	26
-------------------------	----

## Reference and administrative information Year to 31 December 2019

<b>Governors</b>	The Revd Eileen McGregor (President) The Revd Graham Buckle The Revd Paul Bagott The Revd Anthony Ball (Resigned 9 May 2019) The Revd Mae Christie The Revd Jeremy Crossley Paul Double Esq The Revd Matthew Duckett The Revd Laura Jørgensen (Resigned 9 May 2019) The Revd Dr Alison Joyce The Revd Brian Leathard The Revd Sam McNally-Cross (Appointed 9 May 2019) The Revd Catherine Shelley (Appointed 9 May 2019) Sir Michael Pownall
<b>Honorary Librarian</b>	The Revd Gillean Craig
<b>Finance Committee</b>	The Revd Mae Christie (Chair) The Revd Eileen McGregor The Revd Matthew Duckett The Revd Peter Wolton David Scott Esq
<b>Grants Committee</b>	The Revd Dr Alison Joyce (Chair) The Revd Jeremy Crossley The Revd Matthew Duckett The Revd Sam McNally-Cross Sir Michael Pownall
<b>Honorary Treasurer</b>	The Revd Mae Christie
<b>Honorary Curator</b>	The Revd George Bush
<b>Registered office</b>	Faith House 7 Tufton Street London SW1P 3QB
<b>Charity registration number</b>	306142

**Reference and administrative information** Year to 31 December 2019

**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 2019**

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 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 16 to 20 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 (2018 – £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.

**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES** (continued)

**Grant making policy** (continued)

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 Eileen McGregor)***

I am delighted to report that the College is in good form after another busy year in 2019. We rely very heavily on our indefatigable Administrator, Jeremy Smith, who runs our office in the most professional way and has come to know so many of our Fellows and Members. It is always good to hear them expressing their appreciation of all that he does for the College. I would like to record formally our grateful thanks to Jeremy. He has now served five years in post, during which time the demands of his job have changed significantly. The Court therefore decided this year to update his job specification and upgrade his contract of employment to reflect these changes.

The five year lease on our office at Faith House in Westminster ran out in November and we were very pleased to be able to renew it for a further period of at least four years. Faith House is a most convenient location and has the advantage of our being able to rent the adjacent board room for meetings. I am very grateful to Catherine Shelley, a Court member and also a qualified charity lawyer, for her advice on this and other legal matters during the year.

Sion College owns a number of paintings mostly (but not exclusively) portraits of former Bishops of London. Until recently they were all hung in the Old Deanery, alongside the collection owned and displayed by the See. During the year the Court agreed, with kind permission of the Bishop of London, to the ten year loan of two of our portraits to Fulham Palace, the historic home of the Bishops of London. The Palace has undergone significant restoration and transformation in recent years and is now exhibiting the history of Bishops of London in a most attractive format. The Sion College portraits will be displayed with full acknowledgement of their ownership, and the Court hopes to organise a first formal visit during the coming year as we look forward to developing a closer working relationship.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Review of activities** (continued)

***President's report (the Revd Eileen McGregor)*** (continued)

One of the two portraits on loan is of Bishop Porteus, about whom a special exhibition is planned in 2021. Porteus made a significant contribution to the Church of England and to society at large through his support of the abolition movement, and his campaigns against trends which he saw as contributory factors to 'moral decay', such as the non-observance of the Lord's Day. He is little-known for his work to bring before Parliament the Sunday Observance Act of 1781, which legislated for the ways in which the public were allowed to spend their recreation time at weekends for the following 200 years, until the passage of the Sunday Trading Act of 1994.

We now have a well-established programme for Founder's Day, held each year at Lambeth Palace. Evensong in the Upper Chapel is followed by a reception in the Great Hall, at which we hear a short talk by the librarian and archivist, Giles Mandelbrote, about one of the Sion College books on display. This is followed by a lecture in the Great Hall, and then dinner. In 2019 we were delighted to welcome Baroness Manningham-Buller, former Director General of MI5 who spoke on the subject 'Intelligence and Ethics' in a most forthright and entertaining way. The whole evening was a great success!

In 2020, the USA will hold a presidential election and we look forward to welcoming as our speaker Sir David Manning, former British Ambassador to the USA from 2003 to 2007.

Every other year Sion College organises an overseas study trip and in September 2019 one of our former Presidents, Laura Jorgensen, led a visit to Armenia. The tour included visits to churches and monastic complexes which had been awarded UNESCO World Heritage Site status. The group encountered the everyday reality of the Church in a country which has known and lived through persecution many times over the centuries. The group was struck by the power of the Armenian liturgy and it was a great privilege to be able to share worship together in both languages. The group returned keen to campaign for further recognition of the Armenian genocide and to encourage links with clergy met during the visit.

2019 began with our usual family trip to the pantomime which proved to be as popular as ever. We offered events to help stimulate our thinking on a variety of topical issues including science and religion, Islam, Christian Aid, climate change, immigration, finance and cyber crime. We had talks to encourage our reflection and enrich our ministry, covering preaching in Lent, vocation, and St Augustine. There were visits to cover a wide range of interests, namely to the Mithraeum, Fullers Brewery, the Supreme Court, trips to the opera and theatre, and a river walk. Our planned visit to the William Blake exhibition at Tate Britain was so over-subscribed that we organised a second visit which was also filled to capacity. I would like to thank particularly our two Lay Fellows, Sir Michael Pownall and Paul Double, who with their extensive range of valuable contacts have enabled us to expand our horizons and invite a number of high calibre speakers.

**ACHIEVEMENTS AND PERFORMANCE** (continued)

**Review of activities** (continued)

***President's report (the Revd Eileen McGregor)*** (continued)

The Court gathered for a residential meeting in June to begin planning the programme of events for 2020. They have worked extremely hard to develop a varied and imaginative programme. I am most grateful to them all as they have managed to include this extra workload into their already very busy lives. It is most encouraging that we have increasing numbers of members applying for each event, indicating that we are offering an attractive programme of learning and fellowship.

The 2020 programme got off to a flying start with a visit to the theatre and the annual family outing to the pantomime within the first week. Visits to date have included the Troy exhibition at the British Museum, and Lords Cricket Ground, both followed by most enlightening talks on related topics, and an excellent seminar supper on Adult Social Care, a most relevant topic at this time. We have also held two further seminar suppers to enrich our preaching given by very distinguished speakers, namely The Revd Canon Mark Oakley, Dean of St John's College, Cambridge and Dr Paula Gooder, Canon Chancellor of St Paul's Cathedral. In both cases demand for places far exceeded our expectations and venues were filled to capacity.

Sadly the remainder of our 2020 programme has been put on hold for an undefined period as the Coronavirus crisis has taken over our lives. The remainder was designed to offer insights into a selection of topics and anniversaries which we hoped would appeal to the many and varied interests of our Fellows and Members, and we hope that in due course we will be able to resume and reschedule as many events as possible, within what might be a significantly reduced budget.

My thanks go to our Honorary Treasurer, Mae Christie for overseeing our investment portfolio and her careful management of our finances, allocating sufficient resources to fund each event. We try to be flexible so that as few people as possible are allocated a place on the reserves list. Our Administrator uses his marvellous spreadsheets to ensure that the system is as fair as possible.

I am most grateful for all the generous support I have received from so many Members and Fellows, and especially from this year's Court of Governors. My thanks go to Graham Buckle, our Immediate Past President, for his dedicated work and support, particularly relating to events concerned with social justice and sport, and to our Senior Dean, Jeremy Crossley, for his wise counsel and unfailing good humour. I have found Sion College to be an excellent source of 'Godly fellowship and sound learning' and it has been a great honour to have served as President this year.



## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Review of activities** (continued)

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

The College continues to be an active and attentive custodian of its few remaining treasures which date from the days when the College was a building without a large active membership. Few of these assets can realistically be used by the College which is now much more concerned with pressing its financial strength into the service of the clergy. As part of a policy of relinquishing silver that is part of a tradition of formal dining the College has sold a large Victorian epergne and some spoons; I have only seen the former item used once in my time as a fellow and remember it prevented one seeing the President's face! More significantly the collection of portraits owned by the College has now settled at two sites; the Old Deanery and also, with a formal loan agreement in place, at Fulham Palace where two portraits will be the route to a revived relationship between Sion and the former residence of the Bishop of London.

#### ***Grants committee report (the Revd Alison Joyce)***

In 2019, the Grants Committee awarded a total of £18,174 out of a budget of £26,520.

This included the regular annual donation of £1,000 to ALMA, and the annual conservation grant (£2,500) to Lambeth Palace Library.

A total of £9,600 was paid out in sabbatical and study leave grants. In addition, four course grants were awarded totalling £1,421, and £3,473 was given to individuals undertaking retreats at either Sheldon or Gladstone's Library. The take-up of library membership grants remained low (three were awarded, totalling £180).

The revised guidelines (introduced in 2018) relating to the awarding of grants are working well, and have made it easier for the committee to come to wise and appropriate decisions about the amounts awarded (particularly in more complex cases).

## **FINANCIAL REVIEW**

### **Results for the year**

A summary of the year's results can be found on page 14 of this report and accounts.

The accounts for 2019 show a net increase in funds of £452,269 (2018 – net decrease of £246,091) including net gains on investments of £442,244 (2018 – net losses of £262,328).

The total net assets in the balance sheet of £4,376,629 (2018 – £3,924,360) are stated at market value and all funds are unrestricted.

#### ***Treasurer's report (the Revd Mae Christie)***

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 2019 accounts of £10,025 (2018 – £16,237).

**FINANCIAL REVIEW** (continued)

**Treasurer's report (the Revd Mae Christie)** (continued)

The investment manager at Investec reported that the portfolio was managed according to a long term view and at the end of 2019 was valued over £4.3 million compared to £3.9m at the end of 2018.

It was noted that 2019 income had been high for a number of reasons, including some special dividends from mining companies, Brexit uncertainty (leading to lower investment and higher dividend payments) and a weaker sterling (with a significant proportion of the portfolio paying dividends in US dollars).

Our investment manager at Investec reports: During the calendar year 2019, the Sion College portfolio produced a total return of +15.22% (net of fees) or +15.39% (gross). The bespoke benchmark rose by 15.07%. As per last year, we saw a strong performance in the UK against the relevant indices while commercial property and alternative assets outperformed. In 2019, the portfolio created income of £146,816. This was ahead of budget and was due to some special dividends.

As of 29 March 2020, the impact of the Coronavirus pandemic has been significant on the world financial market and, as a result, on our investment portfolios. We project that the impact on investment income (from both the Investec and the CBF Church of England Investment Fund) will likely be greater than the impact on capital.

Our investment manager at Investec writes: "Markets remain uncertain and volatile and I do not expect this to change in the short term even after a significant bounce from the market lows on 23rd March. The current value of the portfolio as at 12th June was £3,728,000 which has risen from the 24th March value of £3,379,653. Year to date the portfolio has fallen by 8.39% on a total return basis while the benchmark has fallen by 6.66%. The UK exposure has been strong against the market while the international markets have seen an underperformance mainly in the United States due to the income bias of the investments. We are still seeing dividend suspensions and cuts albeit at a slower rate than March and April.

"Following a recent update with the finance committee, I have indicated an income estimate of £110,000 for 2020. This is subject to change depending on market conditions.

"Central bank liquidity injections have supported the recent rally in equity markets. Equity valuations appear to be overly optimistic when the economic reality indicates a long recovery and increasing levels of unemployment. A 'V' shaped recovery is a welcome forecast but will be difficult to attain after such an extraordinary economic shock."

It should be noted that the College has submitted a revised budget to the accountants, drawing on earlier, more pessimistic views of the impact on investment income, in which the projected income from the Investec portfolio has been cut from the original value of £140,000 to £100,000, as well as adjusting both the cost of and income from events resulting from cancellations during the period of restrictions. Separately, the College's holding in the CBF Fund had fallen from £203,361 at the end of 2019 to £179,698 (Bid Market Valuation) at 31 March 2020 but has recovered to its 2019 level by 30 June 2020.

**FINANCIAL REVIEW** (continued)

**Treasurer's report (the Revd Mae Christie)** (continued)

Based on the revised budget, it is confirmed that the College's anticipated income for the coming year is adequate to fulfil the objectives of the College for 2020 in light of the Coronavirus pandemic.

**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 2019 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 £44,283 (2018 – £58,795). 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, although in addition to the main investment portfolio the College has units in a CCLA fund to the value of around £200,000 at 31 December 2019, which is intended to be available for use at short notice if required. Following a revision of the 2020 budget in April 2020, during the Covid-19 restrictions, and following cancellation/postponement of all events between April and July, the revised projected income plus short-term reserves together are considered sufficient to cover fixed and committed costs (including autumn 2020 events) of approximately £120,000 for the 2020 year.

**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 2019 ten (2018 – ten) Court meetings were held.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Organisation and Governance** (continued)

***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;
- ◆ 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.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Governors' responsibilities statement** (continued)

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.

Following discussion at its Residential meeting in June 2019, the Court agreed a formal Risk Management policy at its meeting in November. In accordance with Charity Commission guidance, risks will be reviewed under the following headings:

- Governance, including membership of the Court and the skills set of Fellows & Members; and succession planning.
- External risks, including the influence and reputation of the College; and the importance of a well-received programme of events.
- Regulatory and Compliance: compliance with governing documents and legislation, including Safeguarding and Data Protection.
- Financial risks: appropriate financial management and investment policy; keeping within budget. The Treasurer's report includes a note on the impact of the 2020 Covid-19 crisis on the performance of the College's investments.
- Operational risks: College management and administration, in particular reliance on a single member of staff (our Administrator).

Regular (mostly monthly) meetings of the Court enable the trustees to review these risks regularly. For example, the programme of events as well as individual events are reviewed at each meeting; and there is a regular review of expenditure - again at each meeting - against a detailed budget. The College investment portfolio is professionally managed by Investec Ltd and CCLA Investment Management Limited; and a cautious approach to investment has been endorsed by the Court and its Finance Committee.

**GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

**Risk management** (continued)

The Court has continued to develop a series of policies, including in areas such as data protection and safeguarding, which are set out in the College By-laws; and this process will be completed in 2020. An assessment of risk connected with data protection is included on the next page.

The Court has agreed to review the risks set out above at its regular annual Residential meeting in May.

*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:

The Revd Eileen McGregor

Governor (President)

Approved by the Court of Governors on: 14 July 2020

## **Independent examiner's report** Year ended at 31 December 2019

### **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 2019, which are set out on pages 14 to 25.

### **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

14 July 2020

**Statement of financial activities** Year ended at 31 December 2019

	Notes	Unrestricted funds	
		Total funds	Total funds
		2019 £	2018 £
<b>Income from:</b>			
Donations		2,980	—
Charitable activities			
. Functions, educational visits and database receipts		25,647	15,678
Trading activities			
. Subscriptions		10,648	10,715
Investments	1	153,617	143,999
<b>Total income</b>		<b>192,892</b>	<b>170,392</b>
<b>Expenditure on:</b>			
Raising funds	2	37,469	35,263
Charitable activities			
. Promotion of learning and fellowship amongst the clergy of the Church of England	3	145,398	118,892
<b>Total expenditure</b>		<b>182,867</b>	<b>154,155</b>
<b>Net income before gains and losses on investments</b>		<b>10,025</b>	16,237
Net gains (losses) on investments	10	442,244	(262,328)
<b>Net income (expenditure) and net movement in funds for the year</b>		<b>452,269</b>	<b>(246,091)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		3,924,360	4,170,451
Total funds carried forward		4,376,629	3,924,360

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 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets:</b>					
Investments	10		<b>4,332,346</b>		3,865,565
<b>Current assets:</b>					
Debtors	11	<b>8,657</b>		9,666	
Short term deposits		<b>7,114</b>		7,061	
Cash at bank and in hand		<b>34,296</b>		52,601	
		<b>50,067</b>		69,328	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<b>(5,784)</b>		(10,533)	
<b>Net current assets</b>			<b>44,283</b>		58,795
<b>Total net assets</b>			<b>4,376,629</b>		3,924,360
<b>The funds of the charity:</b>					
Unrestricted income funds			<b>4,376,629</b>		3,924,360
			<b>4,376,629</b>		3,924,360

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

The Revd Eileen McGregor

Governor (President)

Approved on: 14 July 2020

## **Principal accounting policies 31 December 2019**

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), 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.

The full impact following the recent emergence of the global coronavirus pandemic is still unknown and it is therefore not currently possible to evaluate all the potential implications for the College's activities, beneficiaries, funders, suppliers and the wider economy. As set out in these accounting policies below, the governors have considered the impact of the pandemic on the College and have concluded that although there may be some negative consequences in the short term, it is appropriate for the College to continue to prepare its accounts on the going concern basis.

### **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 having taken account of the prospective consequences of the coronavirus pandemic, and in respect to a period of at least one year from the date of approval of these financial statements.

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.

## Principal accounting policies 31 December 2019

### **Assessment of going concern** (continued)

With regard to the next accounting period, the year ending 31 December 2020, 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 and note 10 to these accounts) which will force the College to curtail the number of events it hosts as a result of a reduction in income and restrictions placed on social gatherings by the Government. This is reflected in the College's reserves policy and the governors are therefore of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

### **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.

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.

## Principal accounting policies 31 December 2019

### **Expenditure recognition** (continued)

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.

### **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 if 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.

**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.

**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.

**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.

## **Principal accounting policies** 31 December 2019

### **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.

### **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 statement of cash flows 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 31 December 2019

**1 Investment income**

	Unrestricted	
	2019 £	2018 £
Dividends and interest from investments	<b>146,816</b>	139,819
Interest on short term deposits	<b>6,801</b>	4,180
	<b>153,617</b>	143,999

**2 Expenditure on raising funds**

	Direct costs £	Support costs (note 6) £	Total Un-restricted 2019 £	Direct costs £	Support costs (note 6) £	Total Un-restricted 2018 £
Donations	—	1,954	<b>1,954</b>	—	2,170	2,170
Members' subscriptions	—	7,816	<b>7,816</b>	—	8,681	8,681
Investment management costs	26,658	1,041	<b>27,699</b>	23,254	1,158	24,412
	<b>26,658</b>	<b>10,811</b>	<b>37,469</b>	<b>23,254</b>	<b>12,009</b>	<b>35,263</b>

**3 Expenditure on charitable activities**

	Direct costs £	Support costs (note 6) £	Total Un-restricted 2019 £	Direct costs £	Support costs (note 6) £	Total Un-restricted 2018 £
Promotion of learning and fellowship amongst the clergy of the Church of England						
. Grants payable (note 4)	18,174	5,654	<b>23,828</b>	19,524	6,279	25,803
. Functions and educational visits and debates	85,039	16,961	<b>102,000</b>	55,594	18,839	74,433
. Annual feast	13,916	5,654	<b>19,570</b>	12,377	6,279	18,656
<b>Total funds</b>	<b>117,129</b>	<b>28,269</b>	<b>145,398</b>	<b>87,495</b>	<b>31,397</b>	<b>118,892</b>

**4 Grants payable**

	2019 £	2018 £
<b>Research and sundry grants</b>		
Lambeth Palace Library	2,500	5,000
ALMA	1,000	1,000
Retreat study grants – 18 awarded (2018 – 8)	3,473	1,634
Library membership grants – 3 awarded (2018 – 4)	180	240
Research and educational grants – 4 awarded (2018 – 2)	1,421	600
	<b>8,574</b>	8,474
<b>Grants for study leave</b>		
Study leave – 10 awarded (2018 – 12)	9,600	11,050
<b>Total grants payable</b>	<b>18,174</b>	19,524
Support costs	5,654	6,279
	<b>23,828</b>	25,803
Grants payable to:		
. Institutions	3,500	6,000
. Individuals	14,674	13,524
	<b>18,174</b>	19,524

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

	2019 £	2018 £
Salaries and wages	21,715	21,467
Pension costs	1,303	988
	<b>23,018</b>	22,455

The charity employed one member of staff during the year (2018 – one).

No employee earned more than £60,000 per annum in 2018 and 2019.

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.



## 6 Support costs

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

	Raising funds			2019 total £
	Donations and sub- scriptions £	Investment manage- ment costs (note 2) £	Charitable activities (note 3) £	
Premises	1,644	66	4,867	<b>6,577</b>
Administrative				
. Administrator (note 5)	5,754	691	16,573	<b>23,018</b>
. General administrative expenses	95	11	271	<b>377</b>
Governance costs (note 7)	1,041	125	2,998	<b>4,164</b>
General				
. Other expenses	1,236	148	3,560	<b>4,944</b>
<b>Total 2019 funds</b>	<b>9,770</b>	<b>1,041</b>	<b>28,269</b>	<b>39,080</b>

	Raising funds			2018 total £
	Donations and sub- scriptions £	Investment manage- ment costs (note 2) £	Charitable activities (note 3) £	
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
<b>Total 2018 funds</b>	<b>10,851</b>	<b>1,158</b>	<b>31,397</b>	<b>43,406</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

	2019 £	2018 £
Court expenses	<b>1,374</b>	2,938
Independent examiner's remuneration		
. Independent examination fee	<b>1,730</b>	1,730
. Other services	<b>1,060</b>	1,060
	<b>4,164</b>	5,728

**8 Trustees' remuneration and related party transactions**

Members of the Court of Governors received no remuneration (2018 – nil). An amount of £22 was reimbursed to one member of the Court for directly incurred expenses (2018 – £17 to one member of the Court).

**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**

	2019 £	2018 £
Market value of listed investments at 1 January	3,828,722	3,993,421
Acquisitions at cost	856,142	434,462
Disposals at market value (proceeds £833,992; realised gains £76,700)	(757,292)	(355,732)
Net gains on revaluation at 31 December	365,544	(243,429)
<b>Market value of listed investments as at 31 December</b>	<b>4,293,116</b>	<b>3,828,722</b>
Cash held for investment	39,230	36,843
<b>Total market value of investments at 31 December</b>	<b>4,332,346</b>	<b>3,865,565</b>
<b>Historical cost of listed investments as at 31 December</b>	<b>3,207,643</b>	<b>3,092,389</b>

Listed investments held at 31 December comprised the following:

	2019 £	2018 £
UK equities	1,519,096	1,627,006
Fixed interest securities	722,768	646,534
Property unit trusts	377,049	438,166
Overseas equities	1,298,765	901,738
Alternative assets	375,438	215,278
	<b>4,293,116</b>	<b>3,828,722</b>

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

Significant investments individually amounting to over 5% of the portfolio at 31 December 2019 were as follows:

	Market value 2019 £
J P Morgan AM UK Ltd US Equity Income	<b>212,057</b>

## Notes to the accounts 31 December 2019

### 10 Investments (continued)

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

	2019 £	2018 £
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January	736,333	984,151
Less: in respect to disposals in the year	(16,404)	(4,389)
Add: net (losses) gains arising on revaluation in the year	365,544	(243,429)
<b>Total unrealised gains at 31 December</b>	<b>1,085,473</b>	<b>736,333</b>

In light of the uncertain and volatile markets as a result of the Coronavirus pandemic, the value of the Investec portfolio saw a significant fall from £4,089,755 to £3,379,653 as at 24 March 2020 although by 12<sup>th</sup> June 2020 it had risen again to £3,728,000, and the CBF Fund had fallen from £203,361 at the end of 2019 to £179,698 (Bid Market Valuation) at 31 March 2020. By 30<sup>th</sup> June 2020 the College's CBF holding had recovered to a value of £203,115.

### 11 Debtors

	2019 £	2018 £
Accrued income	2,139	1,248
Prepayments	5,992	8,418
VAT	526	—
	<b>8,657</b>	<b>9,666</b>

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

	2019 £	2018 £
Accruals and deferred income	5,434	9,932
Other creditors	350	—
VAT	—	601
	<b>5,784</b>	<b>10,533</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:

	2019 £	2018 £
Payable within:		
One year	5,900	4,492
One and five years	24,892	—
Over five years	13,417	—
	<b>44,209</b>	<b>4,492</b>

## 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 <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

### **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.