

Sears Group Trust

Registered Charity No: 1022586

Report and Financial Statements

31 March 2021

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Trustees and Advisers

Trustees

The Trustees are Directors of a Corporate Trustee, Sears Group Trustees Limited, a private limited company incorporated under the Companies Act 1985: Company Registration number 2732758.

The Directors of Sears Group Trustees Limited ("the Trustees") for the year 1 April 2020 to 31 March 2021 were:

Margaret Hannell

Peter Holder

Christopher Huscroft

Brian Sellars

Stephen Sellars

Contact for all enquiries Mr Gary Branston
Secretary to the Trustees

c/o The Trust Partnership Limited
6 Trull Farm Buildings
Tetbury
Gloucestershire GL8 8SQ

Email: gary.branston@searsgrouptrust.co.uk
Telephone: 07702 520752

The Secretary is responsible for the day-to-day administration of Sears Group Trust ("the Trust").

Trustees and Advisers (continued)

Advisers

Independent Auditors:

Dunkley's
Woodland Grange
Woodlands Lane
Bradley Stoke
Bristol BS32 4JY

Investment Manager:

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL

Bankers:

Lloyds Bank
1st floor
1 Piccadilly
London W1J 0AA

Solicitors:

Dechert LLP
160 Queen Victoria Street
London EC4V 4QQ

Administrator:

The Trust Partnership Limited
6 Trull Farm Buildings
Tetbury
Gloucestershire GL8 8SQ

Charity Insurance:

Chubb European Group Ltd
100 Leadenhall Street
London EC3A 3BP

Charity name and registered charity number

Sears Group Trust is a registered charity, number 1022586.

Registered address

The Trust Partnership Limited
6 Trull Farm Buildings
Tetbury
Gloucestershire GL8 8SQ

Website

www.searsgrouptrust.org.uk

Trustees' Report for the Year Ended 31 March 2021

Introduction

The Trustees present their report and the audited financial statements of Sears Group Trust ("the Trust") for the year ended 31 March 2021.

Structure, Governance and Management

Trust constitution and governing documents

The Trust is governed by a Declaration of Trust dated 19 May 1993 as amended by a Deed of Amendment dated 18 February 1997, a Supplemental Deed dated 26 February 1997 and a Deed of Amendment dated 27 March 2000.

Trustees' appointment

The existing Directors of Sears Group Trustees Limited may, at any time, appoint a new Director to fill a vacancy or as an addition to the Board of Directors. The number of Directors is not subject to any maximum but shall not be less than three.

Trustee changes during the year

There were no changes to the Trustees during the year.

Risk management control

The major risks to which the Trust, as identified by the Trustees, are continually reviewed and systems have been put in place to mitigate those risks. A Risk Register has been established and is regularly monitored by the Trustees.

The Trustees consider the variability of the Trust's investment returns as its biggest risk. The Trust's investment objective is to generate an income sufficient to cover the grants it makes with any balance being used to finance the Trust's necessary expenses.

The Trust has a Safeguarding and Well-being Policy to ensure its beneficiaries and employees are not exposed to undue risk and can take responsible steps to protect themselves from harm.

The Trust has Charity Protection Insurance cover of £1,000,000 (2020: £1,000,000) via an insurance policy with Chubb European Group Ltd.

Trustee Training

The Trustees review their capabilities and consider the skills required for effective trusteeship on an ongoing basis, with training being given to close any identified knowledge and/or skill gaps. Suitable training is arranged for new and existing Trustees as and when required.

Trustees' Report for the Year Ended 31 March 2021 (continued)

Structure, Governance and Management (continued)

Data Protection

The Board continuously reviews its policies and procedures to ensure compliance with relevant Regulations. The Trust's Privacy Policy is available from the Secretary or can be found on the Trust's website.

Activities

Public benefit statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, when planning its future activities and in setting its grant-making policy.

Grant-making policy

The Trust employs two (2020: two) full-time Welfare Visitors. An important part of the Welfare Visitors' duties is to present applications to the Trustees for grant awards, which are usually to increase an individual's total income but can also represent single payments or purchases to meet specific needs. The Welfare Visitors also assist in the review of the continued payment of grants to individuals and any new individuals who come to the Trust's attention. Grants are usually reviewed every three years, or sooner in the event of a material change to a recipient's circumstances.

The Trustees decide, on a majority basis, whether or not to approve each grant recommendation that is put forward. In determining whether or not a grant should be awarded, consideration is given to the level of the individual's capital and their disposable income.

The day-to-day administration of grants and the processing of recommendations and reviews prior to consideration by the Trustees is managed by the Secretary and the Administrator.

The Trust's response to Covid-19

Covid-19 has not impacted the Trust's ability to continue effectively; the Trust has kept in touch with its beneficiaries by telephone and grant awards and payments have continued as normal. The Trust regularly reviews its processes with regards to safe working, social distancing, self-isolation and shielding – all of which are reflected in how it supports its beneficiaries, employees and Directors. The Trust anticipates a safe return, while maintaining social distancing later in 2021. The Trust recognises that, at times like these, its beneficiaries need help and support more than ever and the Trust is happy to say that it has continued to provide that. The Trust's Website has been updated as and when appropriate, in order to provide its audience with information during the pandemic.

Achievements and Performance

Review of the year ended 31 March 2021

At 31 March 2021, there were 114 (2020: 121) annual grants in payment; five (2020: 21) new annual grants awarded during the year and 36 (2020: 50) existing grants were reviewed. 21 (2020: 53) one-off grants included awards for bed and bedding, carpets, boilers, clothing, electrical and gas appliances, home furnishings and decorations, kitchen and bathroom and property adaptations, mobility aids, a recliner bed, stairlifts and help with outstanding debts and food expenses.

Equipment purchased by the Trust is gifted or loaned to individuals, as appropriate, to improve their quality of life. The equipment is serviced and insured at the Trust's expense, where necessary. Five (2020: seven) existing grants were cancelled during the year following review or on the death of the individual.

In addition, the Trust made donations of £20,000 (2020: £5,000) to Charity Link (formerly Leicester Charity Link) and £5,000 (2020: £2,000) to the retailTrust. In recognition of the exceptional services these charities perform and given the extraordinary challenges they are facing during the Covid-19 pandemic, the Trust made special donations to each of Charity Link and retailTrust during the year to support them in their work.

Responding to the safe working, social distancing, self-isolation and shielding restrictions during the Covid-19 Pandemic the Welfare Visitors suspended their home calls to Sears pensioners and former employees and consequently made 2,075 (2019: 1,100 home calls) contacts through telephone calls, emails, letters and texts through the year and, where needed, assisted individuals with making claims for benefits such as Attendance Allowance and Disability Living Allowance, Housing and Council Tax Benefit and Pension Credit. The Welfare Visitors also maintain contact and have regular communication with other relevant agencies and partake of training with external agencies on an appropriate basis.

Trustees' plans for future periods

The Trustees will continue reviewing and monitoring grants and will approve the continuation of appropriate payments to individuals. The Trustees will also consider as many new grant applications and recommendations as possible.

Financial Review

Reserves policy

Reserves are held by the Trustees to enable sufficient income to be generated to cover the Trust's annual expenditure. Reserves is equal to the accumulated funds carried forward each year i.e. £12,438,858 at 31 March 2021 (2020: £10,298,300).

Reserves of £7m to £8m are generally considered sufficient to generate enough income to meet the Trust's grants and associated expenses.

The Trust's investment and reserves policies are reviewed from time to time in discussion with the Trust's investment manager.

Investment policy and performance

As the Trust is not a fund-raising charity, it relies on investment income, which was £346,376 for the year ended 31 March 2021 (2020: £371,607) and its capital to fund its total expenditure. The Trustees have the power to debit the proper expenses of the Trustees either to capital or to income, or between the two, in such proportions as the Trustees think fit. Total expenditure for the year ended 31 March 2021 amounted to £402,867 (2020: £404,344). This included grant expenditure of £187,221 (2020: £169,635).

The Trust's investments are managed by BlackRock Investment Management (UK) Limited ("BlackRock") in its unitised Growth & Income Fund (the "Fund").

The Fund has full discretion to invest globally, directly or indirectly, in equities; equity-related securities; fixed income securities (e.g. bonds and other investments whose value is related to fixed-income securities); money market instruments; deposits; cash and near-cash; property; commodities and other permitted alternative assets and funds, including exchange traded funds.

The Fund return for the year to 31 March 2021 was 24.4% net of fees, versus a target 17.5%. In a year of exceptional equity returns, the Fund out-performed its benchmark by 6.9%, however such outstanding returns must be considered as one-off and which are unlikely to be repeated. The distribution yield for the fund as at 31 March 2021 is 2.76%.

Positive developments around Covid-19 vaccines and their roll out provided more confidence to global markets, as well as the consequent easing of lockdowns and the unleashing of "pent up" consumer demand.

The Fund has increased its return-seeking approach and has increased its exposure to more cyclical areas of the market including banks, energy and semiconductor.

The Fund also has exposure to inflation-linked bonds to mitigate the expected risk of higher inflation in the medium term as production costs are likely to rise on the back of the pandemic.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Directors – Sears Group Trustees Limited on 2nd November 2021 and signed on their behalf by:



Margaret Hannell – Sears Group Trustees Limited



Peter Holder – Sears Group Trustees Limited

Report of the Independent Auditors

To the Trustees of Sears Group Trust

Opinion

We have audited the financial statements of Sears Group Trust (the "charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

To the Trustees of Sears Group Trust (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the charitable sector, control environment and performance including the design of the organisation's remuneration policies;
- Any matters we identified, having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Sears Group Trust
Report of the Independent Auditors

To the Trustees of Sears Group Trust (continued)

- o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- o The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, going concern, income recognition, and the appropriateness of expenditure.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

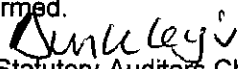
- Enquiring of management, concerning actual and potential litigation and claims;
- Substantive testing to vouch source records to the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management the internal controls in, evaluating each control for weakness and vouching to evidence of the control taking place;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Dunkley's Statutory Auditors Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol BS32 4JY
Date: 09/11/2021

Statement of Financial Activities

For the year ended 31 March 2021

	Note	2021 £	2020 £
Income and Endowments			
Income from investments	5	346,376	371,607
Other income – donations		1,800	-
Total Income		<u>348,176</u>	<u>371,607</u>
Expenditure on Charitable activities	6	<u>(402,867)</u>	<u>(404,344)</u>
Grant making activities			
Total Expenditure		<u>(402,867)</u>	<u>(404,344)</u>
Net (expenditure) and net movement on funds before gain / (loss) on investments		(54,691)	(32,737)
Other recognised gains and losses			
Net gain / (loss) on investments	11	<u>2,195,249</u>	<u>(807,934)</u>
Net movement in funds	13	2,140,558	(840,671)
Reconciliation of Funds			
Fund balances brought forward at 1 April		<u>10,298,300</u>	<u>11,138,971</u>
Fund balances carried forward at 31 March	13	<u>12,438,858</u>	<u>10,298,300</u>

All amounts relate to continuing operations.

There is no material difference between the net incoming resources for the financial year stated above and their historical cost equivalents.

The notes on pages 15 to 21 form part of these financial statements.

Statement of Financial Position

As at 31 March 2021

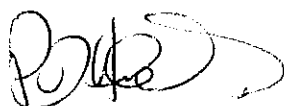
	Note	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	10	-	110
Investments	11	<u>12,338,176</u>	<u>10,201,233</u>
		12,338,176	10,201,343
Current Assets			
Debtors	12	75,460	60,964
Cash at bank and in hand	12	<u>36,715</u>	<u>49,103</u>
Total Current Assets		<u>112,175</u>	<u>110,067</u>
Current Liabilities			
Creditors: amounts falling due within one year	12	<u>(11,493)</u>	<u>(13,110)</u>
Net Current Assets		<u>100,682</u>	<u>96,957</u>
Net Assets		12,438,858	10,298,300
The funds of the Charity			
Unrestricted income funds/Total Charity funds	13	<u>12,438,858</u>	<u>10,298,300</u>

The notes on pages 15 to 21 form part of these financial statements.

Approved by the Directors – Sears Group Trustees Limited on 2 November 2021 and signed on their behalf by:



Margaret Hannell – Sears Group Trustees Limited



Peter Holder – Sears Group Trustees Limited

Statement of Cash Flows

For the year ended 31 March 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
Net cash used in operating activities	14	(417,070)	(465,371)
Cashflows from investing activities			
Interest and dividends	5	346,376	371,607
Proceeds from sale of investments	11	390,000	125,000
Purchase of investments	11	(331,694)	(98,684)
Net cash provided by investing activities		404,682	397,923
Change in cash and cash equivalents in the year		(12,388)	(67,448)
Cash and cash equivalents brought forward		49,103	116,551
Cash and cash equivalents carried forward		36,715	49,103

The notes on pages 15 to 21 form part of these financial statements.

Notes to the Financial Statements

1. General Information

Objectives of the Trust

The eligible beneficiaries of the Trust comprise employees and former employees of any company that is, or has been, associated with Sears Limited, as well as their families and dependants. The Trustees' objective is the relief of financial need amongst its beneficiaries, whether caused by reason of age or sickness or howsoever.

In pursuing this objective, the Trustees have the power to:

- (i) provide financial assistance, goods and services;
- (ii) provide residential accommodation on whatever terms the Trustees think are fair and reasonable;
- (iii) provide assistance with the provision of special aids and equipment to enable beneficiaries to remain in their own homes, rather than moving into residential accommodation;
- (iv) fund assistance in meeting nursing and hospital fees;
- (v) alleviate the loneliness and isolation of beneficiaries by funding attendance at day centres as well as recreational and social activities;
- (vi) assist with expenditure as a result of which the lifestyle or comfort of beneficiaries can be eased and improved when such beneficiaries cannot reasonably be expected to incur the necessary expenditure out of their own resources; and
- (vii) assist beneficiaries in learning of methods to protect themselves and their possessions and generally raise awareness of ways in which their health and homes can be looked after and kept secure.

2. Statement of Compliance

The financial statements have been prepared under the historical items recognised at cost or transaction value, unless otherwise stated in these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities prepared in accordance with the Financial Reporting Standard applicable in the UK and (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102

3. Fund income

The Accumulated Fund is an unrestricted fund, representing the cumulative net incoming resources of the Trust since its inception. This is applied in the payment of grants at the absolute discretion of the Trustees of the Sears Group Trust, i.e. Sears Group Trustees Limited.

Notes to the Financial Statements (continued)

4. Accounting Policies

The following accounting policies have applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

a) Preparation of financial statements as a going concern basis

The severe one-off impact on financial markets of the Covid-19 outbreak in March 2020 adversely affected the Charity's assets and reserves balance at 31 March 2020. However, the Trustees were pleased and reassured that the Trust's assets benefited so significantly from the global improvement in markets during the 2021/2021 year.

Reserves increased from £10,298,300 in 2020 to £12,438,858 at 31 March 2021. The Trustees will continue to monitor the position, noting that the Charity continues to have a significant reserves balance to meet its committed and fixed costs for the foreseeable future. The Trustees therefore consider the "going concern" basis of accounting to be entirely appropriate in the preparation of these financial statements.

b) Investments

Pooled investment vehicles are stated at fair values as notified by the investment managers at the year end. This is based on the value of the underlying investments and all valuations are net of accrued management fees and performance fees or allocations payable to the portfolio managers as required by the Investee Funds' respective operating agreements. Any fee rebates received are taken to the Statement of Financial Activities as a realised gain.

c) Resources expended

The payment of grants and other expenses are accounted for on an accruals basis. Any assets purchased by the Trust are fully depreciated on the year of purchase and recognised at nil value.

d) Charitable activities

The costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Trust. These costs comprise direct costs and support costs as shown in notes 6 and 7.

e) Governance costs

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice.

f) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Gains and losses realised on sales of investments and unrealised changes in market value are not separated in the Statement of Financial Activities.

4. **Accounting Policies (continued)**

g) **Pensions**

The Trust's employees are eligible for membership of the Sears Retail Pension Scheme ("the Scheme"), a defined benefit scheme which is valued by its Scheme Actuary at least every three years to check whether its assets are sufficient to pay the benefit promises set out in the Scheme's Rules. The last full actuarial valuation of the Scheme was performed by the Scheme Actuary, Colin Downie of Willis Towers Watson Limited, as at 5 April 2019. The next full actuarial valuation of the Scheme is due to be undertaken as at 5 April 2022.

The Scheme's Trustees invest the contributions made by the Trust and its employees to build up over the life of the Scheme. The Scheme is "defined benefit" in nature and members' benefits are based on their length of service; their final pensionable salary and their age on retirement. This is what differentiates a defined benefit scheme from a "defined contribution" scheme. The Trust has no liability beyond making its contributions and paying across the deductions for employees' contributions, in accordance with the Rules of the Scheme and the advice of its Actuary.

h) **Short-term deposits**

Short-term deposits comprise monies held by the Trust's bankers and investment managers. Interest on short-term deposits which is due but not received is accounted for as accrued income.

i) **Income from investments**

Investment income is accounted for when declared by the investment manager.

j) **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset. Computer equipment is depreciated at 33.33% a year on a straight-line basis.

5. **Income from investments**

	2021	2020
	£	£
Pooled investment vehicles	346,376	371,607
Total investment income	346,376	371,607

Notes to the Financial Statements (continued)

6. Analysis of charitable activities

	2021	2020
	£	£
Grant funded activity	187,221	169,635
Support costs (note 7)	212,147	231,638
Governance (note 8)	3,499	3,071
	<u>402,867</u>	<u>404,344</u>

7. Support costs

	2021	2020
	£	£
Staff costs	141,266	137,983
Administration expenses	48,480	49,565
Car and travel expenses	17,180	39,888
Other costs	5,221	4,202
Total support costs	<u>212,147</u>	<u>231,638</u>

8. Governance costs

	2021	2020
	£	£
Auditors' remuneration	1,440	1,440
Trustees' Indemnity Insurance	2,059	1,631
Total governance costs	<u>3,499</u>	<u>3,071</u>

9. Analysis of staff costs

	2021	2020
	£	£
Salaries	102,767	100,063
National Insurance contributions	11,413	11,287
Pension costs	27,088	26,333
Total staff costs	<u>141,266</u>	<u>137,983</u>

There were two (2020: two) full-time Welfare Visitors employed for the whole of the accounting year. All employee time was involved in providing support services to the Trust's charitable activities.

The Trust's pension contribution obligations are disclosed in note 9. Total staff costs are included within support costs in grant-making activities.

Notes to the Financial Statements (continued)

10. Tangible fixed assets

Computer equipment	2021
	£
Cost	
At 1 April 2020	1,994
Additions in year	-
At 31 March 2021	<u>1,994</u>
Depreciation	
At 1 April 2020	1,884
Charge for the year	110
At 31 March 2021	<u>1,994</u>
Net book value	
At 31 March 2021	-
At 31 March 2020	<u>110</u>

11. Investments

	2021	2020
	£	£
Movement In Investments		
Market value brought forward	10,201,233	11,035,483
Add: additions to investment at cost	331,694	98,684
Disposals at carrying value	(390,000)	(125,000)
Add/(Less) net gains/(losses) on revaluation	2,195,249	(807,934)
Market value as at 31 March	<u>12,338,176</u>	<u>10,201,233</u>

An analysis of market value at year-end is detailed below

	2021	2020
	£	£
Pooled investment vehicles – Unit Trusts	<u>12,338,170</u>	<u>10,201,233</u>

The following table sets out the investments of the Trust

	2021	2021	2020	2020
	%	Value	%	Value
		£		£
Security				
Blackrock Charities Growth & Income Fund	100.00	12,338,176	100.00	10,201,233

Notes to the Financial Statements (continued)

12. Analysis of net current assets

	2021 £	2020 £
Debtors: amounts falling due within one year		
Prepayments and accrued income	75,460	60,964
Cash held		
Cash at bank and in hand	36,715	49,103
Total current assets	<u>112,175</u>	<u>110,067</u>
Creditors: amounts falling due within one year		
Administration charges due	10,053	11,670
Professional fees	1,440	1,440
Total current liabilities	<u>11,493</u>	<u>13,110</u>

13. Unrestricted income funds

	Balance April 2020 £	Incoming resources £	Charitable expenditure costs £	Realised and unrealised gain £	Balance 31 March 2021 £
Unrestricted Income Fund	<u>10,298,300</u>	<u>348,176</u>	<u>(402,867)</u>	<u>2,195,24</u>	<u>12,438,858</u>

14. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	2,140,558	(840,671)
Add depreciation charges	110	665
Deduct interest income shown in investing activities	(346,376)	(371,607)
(Deduct)/add net (gain)/loss on investments	(2,195,249)	807,934
Increase in debtors	(14,496)	
Decrease in creditors	(1,617)	(6,848)
Net cash used in operating activities	<u>(417,070)</u>	<u>(465,371)</u>

Notes to the Financial Statements (continued)

15. **Contingent liabilities or commitments**

The Trust has no contingent liabilities as at 31 March 2021 (2020: nil).

16. **Related party transactions and Trustees' remuneration**

Trustees received no emoluments (2020: nil). None of the Trustees received expenses (2020: £205.98).

The Trust paid £18,000 (2020: £18,256, including VAT) to MMH Services, an administration services company operated by Margaret Hannell. The amount owed to MMH Services at the year-end amounted to £4,500 (2020: £4,500).

During the year Gary Branston, a member of key management personnel, received remuneration of £72,516 (2020: £70,783). This reflects his role as Secretary to Sears Group Trust and Sears Group Trustees Limited as well as his role as one of the two Welfare Visitors employed by Sears Group Trust. At the year end, a balance of £50.31 was due from Gary Branston (2020: £nil due from Gary Branston).