

SIDCOT BUILDING TRUST FUND

(Registered Charity - Registration Number:- 1037464)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 2020

Reference and Administrative Information

Managing Trustees

Varut Dechpokket
Nigel Gardner
Keith Kerton
Tim Reynolds FCA (ex officio)

Charity Correspondent and Principal Address

Tim Reynolds FCA
23 Gillham Wood Road
BEXHILL-ON-SEA
East Sussex TN39 3BN

Management Committee

Keith Kerton (Chairman)
Varut Dechpokket
Nigel Gardner
John Highfield (Fund Manager)
Robert Horn
Elizabeth Marks (Secretary)
Tim Reynolds (Treasurer)
George Tonkin

Independent Examiner

Paul Whitehouse
1 Slate Cottages
Manor Lane
Abbots Leigh
BRISTOL BS8 3RX

Bankers

Barclays Bank plc
HSBC Bank plc

SIDCOT BUILDING TRUST FUND

REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2020

The Managing Trustees present their annual report along with the financial statements of the charity for the year ended 31st December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's trust deed, the Charities Acts 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 2nd October 2019

Foundation, objectives and grant making policy

The Sidcot Building Trust Fund is a registered charity, number 1037464, which was set up under the terms of a Trust Deed dated 24th January 1959 with the primary purpose of making grants to Sidcot School, Winscombe, Somerset for purchasing or erecting property for, or improving the property of, the School. The grants so far made are set out in Note 6 to the accounts. Further grants will be made when suitable projects present themselves.

Public benefit

The sole purpose of the Fund is to give assistance to Sidcot School which is itself a registered charity (No. 296491) and as such pursues the charitable purpose of the advancement of education with benefit to the public. In addition to the fact of registration the Trustees of the Fund are for their own part satisfied that the School provides benefits to the public by way of financial assistance to pupils and availability of its facilities to the local community.

Structure, governance and management

Originally the Trust was managed under the auspices of the Sidcot Old Scholars Association (SOSA) but the SOSA was dissolved by a resolution passed 19 April 2014. Since that date the Managing Trustees have been appointed by the Sidcot Building Trust Fund Management Committee (see below). and serve for an unspecified period. The induction process for any newly-appointed Managing Trustee comprises a meeting with the existing Managing Trustees at a pre-meeting separate in advance of the new Managing Trustee's first attendance at a meeting of the Managing Trustees. At this meeting the existing Managing Trustees brief the new Managing Trustee on investments, the grant making process, powers and responsibilities of the Managing Trustees and the Management Committee and provide a welcome pack. This welcome pack includes a brief history of the Trust, copy of the recent minutes of the meetings of the Managing Trustees and Management Committee, a copy of the last three years' annual reports and accounts, a copy of the governing trust deed and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know'.

The fundraising activities and the overall supervision of the Trust are conducted by the Sidcot Building Trust Fund Management Committee which, until 19th April 2014, was appointed by the SOSA. Since the dissolution of the SOSA. the Management Committee has been an independent, free-standing committee, which forms the ultimate governing body of the Trust. The Managing Trustees are also members of this Management Committee. The Management Committee is required to have as a majority of its members former pupils of Sidcot School. The Management Committee seeks donations, covenants and the leaving of legacies from Sidcot School old scholars, and also encourages donations from organisations and people associated with Sidcot School.

The Managing Trustees usually meet three or four times a year to agree, subject to the preceding paragraph, the broad strategy for the management of the Fund, including specific investment decisions, reserves and risk management.

Grants from the Fund are in response to written requests from the Management Board of Sidcot School. Requests are reviewed by the Management Committee, examined by the Managing Trustees, and if agreed, a resolution is passed by the Management Committee.. The scale and frequency of grants is managed to ensure that the Fund retains sufficient funds for the longer term.

The investments of the Fund are in the name of Sidcot Building Trust Fund Incorporated Trustees on behalf of the Managing Trustees for the charitable trusts of the Fund.

In the light of the dissolution of the SOSA the founding Trust Deed of 1959 has been amended in various particulars and the deed as amended is lodged with the Charity Commission.

SIDCOT BUILDING TRUST FUND

REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2020 (ctd.)

Risk management

The Managing Trustees have considered the major strategic, business and operational risks that the charity faces. As a result of this examination the Managing Trustees have identified poor investment performance as the major risk that could adversely impinge on the Fund. The Managing Trustees confirm that processes have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen this and other risks.

Activities during the Year

In June 2020 the Fund received a request from the School for a donation to the Sidcot School Covid-19 Relief Fund of £200,000 to cover the maintenance expenditure of the school for the 2020/21 academic year. In view of the adverse impact of Covid-19 on the School's finances the Management Committee agreed on 3rd July 2020 to make a donation of this amount to be paid in three tranches across the academic year. The first payment of £67,000 was made in November 2020 with subsequent payments being made in January and May 2021.

In view of the volatile investment situation caused by Covid-19 and to maintain liquid funds in case the School needed further support the Trustees have not made any significant investments in the year.

Fund Management and Performance

Our usual table of comparison is as follows; each figure is rebased to 100 at 1st January in the relevant year and calculated on a total return basis:

| | 2020 | 2019 |
|--|-------------|-------------|
| SBTF (including cash) | 95.5 | 118.3 |
| Construction Cost Index (Dept. for Business) | 101.7 | 102.4 |
| COIF Charities Investment Fund | 109.8 | 121.6 |
| AIC Sector Equity Income NAV | 91.2 | 120.4 |
| FTSE Higher Yield Group (FTHY) | 79.2 | 107.7 |
| FTSE 100 | 85.7 | 112.1 |
| RPI | 101.5 | 102.2 |

The UK stock market fell significantly in the early part of the year and only partially recovered later in the year. The fall in the value of the Fund over the year was less than the majority of the comparative performance indices used by the Fund with the exception of the COIF Charities Investment Fund. The Trustees are comparing the holdings of this fund with the Sidcot Building Trust Fund to identify possible areas where a change in the Fund's holdings could improve performance.

A contributory factor in the Fund's relatively better performance compared to most of the other comparative funds was the Fund's relatively high holdings of cash to fund the grant to the School.

In the current year to the middle of September the capital value of the Fund has increased by 8.8% whilst the FTSE 100 index has increased by the same amount over that period.

Reserves

As envisaged at the foundation of the Trust, the policy of the Managing Trustees is to accumulate all the income over a period of years so as to be able to make grants from time to time to the school for building or other purposes of a capital nature. Thus the Managing Trustees do not maintain any specific reserve fund or funds: the whole of the Fund is in effect, a reserve awaiting a call on it for some developments at the School in accordance with the terms of the Deed.

SIDCOT BUILDING TRUST FUND

REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2020 (ctd.)

Managing Trustees remuneration.

All of the trustees give their time freely and no trustee information was paid in the year. Details of transactions in the year between the Managing Trustees and the Charity are set out in Note 2 to these accounts

Reference and administrative information

The names of the Management Committee at the date of this report along with other key information is set out on Page 1

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and 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 charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

KEITH KERTON

Managing Trustee

NIGEL GARDNER

Managing Trustee

TIM REYNOLDS

Managing Trustee (ex officio) and Hon Treasurer

VARUT DECHPOCKKET

Managing Trustee

Date:- 17th September 2021

SIDCOT BUILDING TRUST FUND

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE SIDCOT BUILDING TRUST FUND FOR THE YEAR ENDED 31ST DECEMBER 2020

I report on the accounts of the Trust for the year ended 31 December 2020, which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011 (the Act) and that an independent examination is needed. It is my responsibility to:-

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

Basis of independent examiner's report

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

Independent examiner's statement

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

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

PAUL WHITEHOUSE

1 Slate Cottages
Manor Lane
Abbots Leigh
BRISTOL BS8 3RX

28th October 2021

SIDCOT BUILDING TRUST FUND

Statement of Financial Activities for the year ending 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|------------------|-------------------|
| Income and endowments | | | |
| Subscriptions and donations received | 3 | 5,315 | 6,148 |
| Investment income received | 4 | 31,463 | 46,708 |
| Interest received | | 145 | 177 |
| Total income | | 36,923 | 53,032 |
| Expenditure | | | |
| Costs of raising funds | | | |
| - Fund raising costs | | - | 0 |
| - Management and administration | 5 | 274 | 1,196 |
| | | 274 | 1,196 |
| Expenditure on charitable activities | | | |
| - Grants paid to the school | 6 | 200,000 | - |
| Total expenditure | | 200,274 | 1,196 |
| Net income/(expenditure) before gains and losses on investments | | (163,351) | 51,836 |
| Net gains/(losses) on investments | 7 | | |
| - Realised gains/(losses) on investments sold in year | | 765 | 13,006 |
| - Unrealised gains/(losses) on year end revaluation | | (84,811) | 124,265 |
| | | (84,046) | 137,271 |
| Net movement in fund | | (247,397) | 189,107 |
| Fund at 1st January brought forward | | 1,183,154 | 994,047 |
| Fund at 31st December carried forward | | £935,757 | £1,183,154 |

The notes on pages 9 to 12 form part of these accounts

SIDCOT BUILDING TRUST FUND

| <u>Balance Sheet as at</u> | | <u>31 December 2020</u> | |
|--|--------------|--------------------------------|-------------------|
| | Notes | 2020 £ | 2019 £ |
| Fixed assets | | | |
| Investments | 7 | <u>905,469</u> | <u>1,009,030</u> |
| Current assets | | | |
| Debtors: interest and taxation recoverable | | 2,207 | 966 |
| Balances at banks | | 146,957 | 159,461 |
| Balances with other financial institutions | | 14,231 | 14,230 |
| Total current assets | | <u>163,395</u> | <u>174,657</u> |
| Liabilities | | | |
| Creditors: amounts falling due within one year | | | |
| - Balance of grant to the School | 6 | (133,000) | - |
| - Sundry creditors | | (107) | (533) |
| Total assets less current liabilities | | <u>30,288</u> | <u>174,124</u> |
| Net assets | | <u>£935,757</u> | <u>£1,183,154</u> |
| Total charity funds | | | |
| Unrestricted income and capital fund | | <u>£935,757</u> | <u>£1,183,154</u> |

TIM REYNOLDS
Trustee and Hon. Treasurer

KEITH KERTON
Trustee

NIGEL GARDNER
Trustee

VARUT DECHPOKKET
Trustee

Date:- 17th September 2021

The notes on pages 9 to 11; pages 9 to 12 form part of these accounts

SIDCOT BUILDING TRUST FUND

Statement of Cash Flows for the year ending 31 December 2020

| | Notes | 2020 £ | 2019 £ |
|---|--------------|------------------------|------------------------|
| Net movement in funds | | (247,397) | 189,107 |
| Deduct investment income received | | (31,463) | (46,708) |
| Deduct interest income received. | | (145) | (177) |
| Deduct (gains)/add back losses on investments | | | |
| - Realised (gains)/losses on investments sold in year | | (765) | (13,006) |
| - Unrealised (gains)/losses on year end revaluation | | 84,811 | (124,265) |
| Decrease/(increase) in debtors | | (1,241) | (942) |
| Increase/(decrease) in creditors | | 132,574 | (204) |
| Net cash from/(used) in operating activities | | <u>(63,626)</u> | <u>3,806</u> |
| Cash flows from investing activities | | | |
| - Investment income | 4 | 31,463 | 46,708 |
| - Interest received | | 145 | 177 |
| - Purchases of investments | | 0 | 0 |
| - Sales of investments | | 19,515 | 44,453 |
| Net cash provided by investing activities | | <u>51,123</u> | <u>91,337</u> |
| Change in cash and cash equivalents for the year | | <u>(12,503)</u> | <u>95,142</u> |
| Cash and cash equivalents brought forward | | 173,691 | 78,549 |
| Cash and cash equivalents carried forward | | <u>£161,188</u> | <u>£173,691</u> |
| Cash and cash equivalents comprises balances at:- | | | |
| Balances at banks | | | |
| - Barclays Bank plc | | 9,723 | 4,835 |
| - HSBC Bank plc | | 137,234 | 154,626 |
| | | <u>146,957</u> | <u>159,461</u> |
| Balances at other financial institutions | | | |
| - Quilter Cheviot | | 13,913 | 13,912 |
| - COIF Charities Deposit Fund | | 318 | 318 |
| | | <u>14,231</u> | <u>14,230</u> |
| | | <u>£161,188</u> | <u>£173,691</u> |

The notes on pages 9 to 12 form part of these accounts

SIDCOT BUILDING TRUST FUND

Notes to the accounts for the year ended 31 December 2020

1 Accounting policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 2nd October 2019 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.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(b) Funds structure

The charity has a single unrestricted fund which the trustees are free to use for any purpose in furtherance of the charitable objectives.

(c) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Subscriptions and donations, are recognised at the earliest of either when the Trust has been notified in writing of both the amount and settlement date or (more usually) when the funds are received in the Trust's bank accounts. 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. Gift aid receivable on subscriptions and donations received in the year is included as part of the income for the year.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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. Dividends are recognised either once notification has been received of the dividend due or when the dividend is credited to the Trust's bank account.

SIDCOT BUILDING TRUST FUND

Notes to the accounts for the year ended 31 December 2020

(d) Expenditure recognition

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it is incurred.

(f) Costs of raising funds

The costs of raising funds consist of the costs of Trustee meetings where investment decisions are made plus various administrative costs incurred in the operation of the Trust.

(g) Fixed asset investments

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 statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(h) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2 Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019 - £NIL). Expenses relating to the year incurred by and reimbursed to the trustees totalled £133 (2019 - £430) comprising travelling and administrative expenses. Additionally trustees and members of the management committee incurred expenses of £NIL (2019 - £192) which they have waived as a donation to the fund. This amount has been added to Donations and to the relevant expense headings

SIDCOT BUILDING TRUST FUND

Notes to the accounts for the year ended 31 December 2020

| 3 Subscriptions and donations received | 2020 | 2019 |
|---|---------------|---------------|
| | £ | £ |
| Annual subscriptions | 4,317 | 4,986 |
| Donations and legacies | 998 | 1,162 |
| | <u>£5,315</u> | <u>£6,148</u> |

Subscriptions and donations received include Gift Aid of £1,242 (2019 - £943)

| 4 Investment income received | 2020 | 2019 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Equities | 18,205 | 31,837 |
| Investment/Unit Trusts | 5,856 | 6,796 |
| Property Funds | 6,137 | 6,569 |
| | <u>30,198</u> | <u>45,202</u> |
| Fixed interest | 1,265 | 1,506 |
| | <u>£31,463</u> | <u>£46,708</u> |

| 5 Management and administration | 2020 | 2019 |
|--|-------------|---------------|
| | £ | £ |
| Trustee meeting costs | 0 | 491 |
| Travel costs | 0 | 430 |
| Postage and stationery | 53 | 38 |
| Professional fees | 0 | 0 |
| Publications | 221 | 237 |
| | <u>£274</u> | <u>£1,196</u> |

6 Grants to Sidcot School

In accordance with the Fund's charitable objectives the Sidcot Building Trust Fund has, since its formation, made the following grants to Sidcot School, Winscombe, Somerset:-

| | | £ |
|--|---------|--------------------|
| Meeting house extension | 1961/62 | 1,500 |
| Study Block | 1970 | 5,000 |
| Staff Flats | 1974 | 5,000 |
| Boy's Dormitories | 1978/79 | 20,000 |
| Drama Studio | 1982 | 5,000 |
| Sports Hall Swimming Pool | 1992 | 100,000 |
| Classrooms in new Library and Study Block | 1999 | 150,000 |
| Classrooms in new Junior School | 2005 | 75,000 |
| Creative & Performing Arts Centre | 2007 | 1,000,000 |
| Contribution to School Maintenance Expenditure | 2020/21 | 200,000 |
| | | <u>£ 1,561,500</u> |

On 3rd July 2020 the Management Committee, in response to a request from the School, agreed to make a grant of £200,000 to the Sidcot Covid-19 Relief Fund to offset the adverse impact that the Covid-19 pandemic had had on the School's finances. This donation is being paid to the school in three tranches at the beginning of Autumn 2020 and Spring and Summer 2021 terms. At the date of this report the grant had been paid in full.

SIDCOT BUILDING TRUST FUND

Notes to the accounts for the year ended 31 December 2020

7 Investments

| At fair value | At 01-Jan-20 £ | Purchases (at cost) £ | Sales Proceeds £ | Gain/(loss on sales in year £ | Gain/ (Loss) on revaluation £ | At 31-Dec-20 £ |
|----------------------------|-------------------------------|--------------------------------------|---------------------------------|--|--|-------------------------------|
| Equities | 612,720 | 0 | 0 | 0 | (59,021) | 553,699 |
| Inv/Unit Trusts | 168,929 | 0 | 0 | 0 | (22,289) | 146,640 |
| Property Funds | 167,650 | 0 | 0 | 0 | (385) | 167,265 |
| | 949,299 | 0 | 0 | 0 | (81,695) | 867,604 |
| Fixed Interest | 59,731 | 0 | (19,515) | 765 | (3,116) | 37,865 |
| Total at fair value | £1,009,030 | £0 | £(19,515) | £765 | £(84,811) | £905,469 |
| Unrealised gains | £294,727 | | | | | £206,959 |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value)