

SIDCOT BUILDING TRUST FUND

(Registered Charity - Registration Number:- 1037464)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER 2021

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)

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 2021

The Managing Trustees present their annual report along with the financial statements of the charity for the year ended 31st December 2021. 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.

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REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2021 (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 of £67,000 and £66,000 being made in January and May 2021 of the current year.

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:

	2021	2020
SBTF (including cash)	114.2	95.5
Construction Cost Index (Dept. for Business)	106.2	101.8
COIF Charities Investment Fund	117.2	109.8
AIC Sector Equity Income NAV	116.5	91.2
FTSE Higher Yield Group (FTHY)	115.1	79.2
FTSE 100	119.0	85.7
RPI	104.0	101.5

The global stock markets rallied significantly in 2021 on the back of accommodative monetary policies by central banks globally after they cut interest rates to historically low levels with ample liquidity injected to the market by quantitative easing (QE). Towards the latter half of 2021, the risk of high inflation due to energy and commodity prices halted the rally in equity markets as expected interest rates will need to rise to curb the high inflation. The Fund performance for 2021 was in line with COIF Charities Investment Fund and FTSE indices.

Since 31st December 2021 the value of the portfolio has moved broadly in line with the FT100 index. In view of the current volatility of this index it is not considered meaningful to provide a valuation at a specific post balance sheet date.

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.

Subsequent event - Sixth Form Centre and post year end investment disposals

In November 2021 the Fund received a formal application from the governors of the School requesting that the Fund make a grant of £600,000 towards the planned £2 million upgrade of the Sixth Form Centre at the School. This application was considered and approved at a meeting of the Management

SIDCOT BUILDING TRUST FUND

REPORT OF THE MANAGING TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2021 (ctd.)

Committee on 17th May 2022. Subsequent to that meeting the Trustees reviewed the Fund's investments and approved a disposal plan to generate the £600,000 to fund the grant to the School.

At the date of this report this disposal plan had generated the funds required to enable the Trust to pay the grant of £600,000 to the School in support of the Sixth Form Centre project. Following this payment it is anticipated that the residual value of the Fund will be in the region of £475,000 to £500,000. The current market volatility make it impossible to provide a more accurate figure. The Trustees consider that this is a good base from which to regrow the Fund.

Managing Trustees remuneration.

The trustees give their time freely and no trustee remuneration was paid in the year. Details of transactions in the year between the 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 FCA
Managing Trustee (ex officio) and Hon Treasurer

VARUT DECHPOKKET
Managing Trustee

Date:- 26th October 2022

SIDCOT BUILDING TRUST FUND
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE
SIDCOT BUILDING TRUST FUND FOR THE YEAR ENDED 31ST DECEMBER 2021

I report on the accounts of the Trust for the year ended 31 December 2021, 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

26th October 2022

SIDCOT BUILDING TRUST FUND

Statement of Financial Activities for the year ending 31 December 2021

	Notes	2021 £	2020 £
Income and endowments			
Subscriptions and donations received	3	4,335	5,315
Investment income received	4	39,473	31,463
Interest received		16	145
Total income		43,824	36,923
Expenditure			
Costs of raising funds			
- Fund raising costs		-	-
- Management and administration	5	342	274
		342	274
Expenditure on charitable activities			
- Grants paid to the school	6	0	200,000
Total expenditure		342	274
Net income/(expenditure) before gains and losses on investments		43,482	(163,351)
Net gains/(losses) on investments	7		
- Realised gains/(losses) on investments sold in year		282	765
- Unrealised gains/(losses) on year end revaluation		112,480	(84,811)
		112,762	(84,046)
Net movement in fund		156,244	(247,397)
Fund at 1st January brought forward		935,757	1,183,154
Fund at 31st December carried forward		£1,092,001	£935,757

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

SIDCOT BUILDING TRUST FUND

Balance Sheet as at		31 December 2021	
	Notes	2021 £	2020 £
Fixed assets			
Investments	7	<u>974,238</u>	<u>905,469</u>
Current assets			
Debtors: interest and taxation recoverable		0	2,207
Balances at banks		103,802	146,957
Balances with other financial institutions		14,231	14,231
Total current assets		<u>118,033</u>	<u>163,395</u>
Liabilities			
Creditors: amounts falling due within one year			
- Balance of grant to the School	6	0	(133,000)
- Sundry creditors		(270)	(107)
Total assets less current liabilities		<u>117,763</u>	<u>30,288</u>
Net assets		<u>£1,092,001</u>	<u>£935,757</u>
Total charity funds			
Unrestricted income and capital fund		<u>£1,092,001</u>	<u>£935,757</u>

TIM REYNOLDS FCA
Trustee and Hon. Treasurer

KEITH KERTON
Trustee

NIGEL GARDNER
Trustee

VARUT DECHPOKKET
Trustee

Date:- 26th October 2022

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

SIDCOT BUILDING TRUST FUND

Statement of Cash Flows for the year ending 31 December 2021

	Notes	2021 £	2020 £
Net movement in funds		156,244	(247,397)
Deduct investment income received		(39,473)	(31,463)
Deduct interest income received.		(16)	(145)
Deduct (gains)/add back losses on investments			
- Realised (gains)/losses on investments sold in year		(282)	(765)
- Unrealised (gains)/losses on year end revaluation		(112,480)	84,811
Decrease/(increase) in debtors		2,207	(1,241)
Increase/(decrease) in creditors		(132,837)	132,574
Net cash from/(used) in operating activities		<u>(126,637)</u>	<u>(63,626)</u>
Cash flows from investing activities			
- Investment income	4	39,473	31,463
- Interest received		16	145
- Purchases of investments		0	0
- Sales of investments		43,992	19,515
Net cash provided by investing activities		<u>83,481</u>	<u>51,123</u>
Change in cash and cash equivalents for the year		<u>(43,155)</u>	<u>(12,503)</u>
Cash and cash equivalents brought forward		161,188	173,691
Cash and cash equivalents carried forward		<u>£118,033</u>	<u>£161,188</u>
Cash and cash equivalents comprises balances at:-			
Balances at banks			
- Barclays Bank plc		14,935	9,724
- HSBC Bank plc		88,867	137,233
		<u>103,802</u>	<u>146,957</u>
Balances at other financial institutions			
- Quilter Cheviot		13,913	13,912
- COIF Charities Deposit Fund		318	318
		<u>14,231</u>	<u>14,231</u>
		<u>£118,033</u>	<u>£161,188</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 2021

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 2021

(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 (2020 - £NIL). Expenses relating to the year incurred by and reimbursed to the trustees totalled £NIL (2020 - £133) comprising travelling and administrative expenses.

SIDCOT BUILDING TRUST FUND

Notes to the accounts for the year ended 31 December 2021

3 Subscriptions and donations received	2021	2020
	£	£
Annual subscriptions	4,315	4,317
Donations and legacies	20	998
	<u>£4,335</u>	<u>£5,315</u>

Subscriptions and donations received include Gift Aid of £755 (2020 - £1,242)

4 Investment income received	2021	2020
	£	£
Equities	26,935	18,205
Investment/Unit Trusts	5,642	5,856
Property Funds	6,149	6,137
	<u>38,726</u>	<u>30,198</u>
Fixed interest	747	1,265
	<u>£39,473</u>	<u>£31,463</u>

5 Management and administration	2021	2020
	£	£
Trustee meeting costs	0	0
Travel costs	0	0
Postage and stationery	110	53
Professional fees	0	0
Publications	232	221
	<u>£342</u>	<u>£274</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 was paid to the school in three tranches at the beginning of Autumn 2020 and Spring and Summer 2021 terms. This grant had been paid in full by 31st December 2021.

SIDCOT BUILDING TRUST FUND

Notes to the accounts for the year ended 31 December 2021

7 Investments

At fair value	At 31-Dec-20 £	Purchases (at cost) £	Sales Proceeds £	Gain/(loss on sales in year £	Gain/ (Loss) on revaluation £	At 31-Dec-21 £
Equities	553,699	0	(17,946)	(94)	63,006	598,665
Inv/Unit Trusts	146,640	0	(26,047)	376	17,559	138,528
Property Funds	167,265	0	0	0	34,405	201,670
	867,604	0	(43,993)	282	114,970	938,863
Fixed Interest	37,865	0	0	0	(2,490)	35,375
Total at fair value	£905,469	£0	£(43,993)	£282	£112,480	£974,238
Unrealised gains	£206,959					£333,454

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)