

The Sternians Trust Fund

Registered Charity: 1052004

Annual Report and Accounts

Year ended 31 December 2020

The Sternians Trust Fund
Annual Report and Accounts for the year ended 31 December 2020

Contents	Pages
Contents	2
Legal and Administrative	3
Report of the Trustees	4
Independent Examiner's Report	7
<u>Annual Accounts</u>	
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Accounts	10 - 13

Legal and Administrative

Registered charity number	1052004
Registered address	Lord Wandsworth College Long Sutton Hook Hampshire RG25 1TB
Trustees	Paul Richings (Chairman) Teresa Armstrong Ben Forman (Treasurer) Richard Janaway Richard Saunders
Honorary Secretary	James Brewin
Independent Examiner	Chris Bellairs
Bankers	Lloyds Bank 174 Fleet Road Fleet Hampshire GU51 4DD

Report of the Trustees

Highlights

- Assistance was given to nine pupils, with grants totalling £40,300
- Individual donations received, including tax recovery, were over £5,500
- A legacy of £18,616 was received during the year
- Investment income was £31,500 against £34,800 in 2019
- Total assets fell from £979,000 to £953,000

The Trust Fund

The primary objective of the Fund is to help to ensure that children who are being educated at Lord Wandsworth College do not lose that benefit through an adverse change in financial circumstances. That is particularly when they are in, or about to enter, the examination years of the fifth and sixth forms. Grants for fees are made out of the income earned from the Fund's investments, while the capital is built up through donations and legacies.

The Trust Fund was established as 'The Old Sternians Charity Fund' by a Trust Deed dated 7th March 1961. In January 1966, the Fund was established as a separate charity, having previously been part of the Lord Wandsworth charity. The name was changed to 'The Sternians Trust Fund' in 1995.

The Fund started with the transfer of £223 from the 'Scholarship Fund', which itself had been set up from the balance remaining on the 'War Memorial Fund', created after the 1939-45 War. The Fund's assets grew slowly, to a little less than £1,000 by 1969 and to over £5,000 in 1977. The very limited investment income in the early days was applied in making small grants for language courses, field trips, sportswear and music lessons and instruments. Since 1999, by which time the value of the Fund had grown to over £150,000, grants have been almost entirely towards basic school fees, and over that period have exceeded £300,000. The assets of the Fund are now nearing £1,000,000, though its investments have not been immune to the market volatility caused by the coronavirus pandemic. The portfolio fell in value by £43k over the year, though this is after recovering during the latter part of the year some of the significant losses incurred as the UK went into lockdown in March. Annual investment income fell by almost 10% compared to the prior year, but still stands at over £30,000.

The Trustees

The majority of the current Trustees are former pupils at the College. The exception is Teresa Armstrong, who became a Trustee in 2016, and is the mother of a Sternian. Of the other Trustees, Richard Janaway, who is a Governor of the College, became a Trustee in 1998; Paul Richings (Chairman) in 2007; Richard Saunders in 2009, and Ben Forman (Hon. Treasurer) in 2015, after 12 years as Independent Examiner.

Chris Bellairs was appointed Independent Examiner at the beginning of 2016; he was also a pupil at the College, leaving in 1993.

During the year, Dudley Lewis stepped down as a Trustee. Dudley became a trustee in 1995, and made a significant contribution to the success of the Trust Fund over the 25 years of his involvement, for which we are sincerely grateful.

Grants

2020 saw assistance provided to nine pupils, compared to thirteen in 2019. Total grants awarded of over £40,000 were more than 40% higher than the prior year's record total. The Trustees work with the College to identify the widest possible range of eligible beneficiaries, funding grants out of investment income but using donations and legacies to build up the capital of the Fund. Provided that the Headmaster and Bursar give their support and have agreed that assistance is merited, the amount of a grant is determined after examination of the financial information that applicants provide. Grants are for a proportion of the fees. In almost all cases, a grant is accepted when offered and the pupil continues at the College; where that does not happen, the level of grant is rarely, by itself, the decisive factor. Some applications may not result in grants either because of withdrawal of the applications or because (for good reasons) they are not supported by the College. The level of grants awarded has risen every year since 2012.

Of the pupils supported in 2020, four left the College in July. The remaining five pupils will again be supported in 2020-21. One is a Foundationer, for whom the Trust Fund bridges the gap left by other charities that do not provide grants beyond the 5th form. The other awards recognise difficult home financial circumstances.

Legacies & Donations

A legacy totalling £18,600 was received during the year. Legacies have been a major factor behind the rapid growth of the Trust Fund's resources over recent years, contributing over £250,000 since 2006.

Individual donations including tax recoveries over the same period amounted to over £130,000. That total included £18,600 from the Appeal in 2010-2011 and a significant individual donation of £7,000 in 2015. The Trust Fund is fortunate to have benefited from the support of a relatively small number of regular donors over many years. Regular donations totalled almost £100,000, including tax recovery, over this period. With only about 35 regular donors, that is a noteworthy achievement, and I would like to reiterate our thanks for their ongoing generosity.

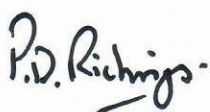
Of the total donations of just over £6,000 in 2020, £621 comprised continuing subscriptions to The Sternians Association transferred to the Trust Fund. Unfortunately, the pandemic saw the cancellation of reunion events that have in the past provided valuable donations for the Trust Fund.

General Finance

The total assets of the Trust Fund fell during the year from £978,500 to £953,000. The market value of investments fell by £42,000. Investments, about 80% by value in wider range stocks (mainly equities), produced an income yield of almost 4%. A further £40,000 was invested during the year, all in the wider range holdings. Cumulatively, gains in market value, substantially all in the equity investments, have amounted to £240,000, an increase of nearly 35% above the original cost. The investments are in funds specifically for charities. Grants exceeded investment income by £15,000 during the year, though there has been a small surplus of income above grants over the last three years; the Trustees are in principle prepared for grants to exceed investment income by up to £10,000 on a rolling three year basis if there are enough applications with sufficient merit.

Outlook

Over recent years, the growth in the Trust Fund's capital has driven rising income, allowing the Trustees to support growing numbers of pupils. It is testament to the generosity of the Trust Fund's supporters that the Trustees were able to award grants with a greater value in 2020 than in any previous year, with all of the consequential benefits to the pupils who were able to continue their education at Lord Wandsworth. However, it is also the case that the pandemic has seen the first reduction in investment income for many years, while the economic impact is likely to increase the demand for support. The Trustees will therefore anticipate a busy year ahead.



Paul Richings
Chairman of the Trustees
5 March 2021

Independent Examiner's Report to the Trustees of the Sternians Trust Fund

I report to the Trustees on my examination of the accounts of the Trust Fund for the year ended 31 December 2020 which are set out on pages 8 to 13.

Responsibilities and basis of report

As the Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

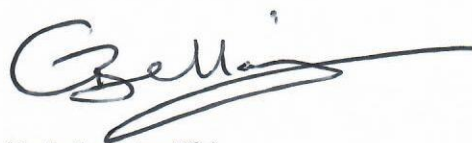
I report in respect of my examination of the accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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:

1. Accounting records were not kept in respect of the Trust Fund as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. 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.



Chris Bellairs FCA

5 March 2021

Old Cottage, Shoreham, Kent

Statement of Financial Activities

	Notes	2020 £	2019 £
Income from donations and legacies	4	24,874	16,788
Income from investments	5	31,522	34,822
Total income		56,396	51,610
Expenditure on charitable activities	6	40,298	28,043
Other expenditure	7	58	201
Total expenditure		40,356	28,244
Net income		16,040	23,366
Unrealised (losses)/gains on investment assets		(41,590)	110,176
Net movement in funds		(25,550)	133,542
Fund balance brought forward at 1 January		978,516	844,974
Fund balance carried forward 31 December		952,966	978,516

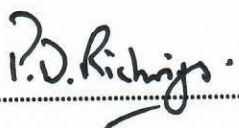
All amounts derive from continuing activities.

Balance Sheet

	Notes	2020 £	2019 £
Fixed assets			
Investments	8	936,615	938,205
Current assets			
Current account		13,853	38,887
Deposit account		7	7
Income tax recoverable		2,491	1,417
Total current assets		16,351	40,311
Current liabilities		-	-
Net current assets		16,351	40,311
Total net assets	9	952,966	978,516
Represented by:			
Unrestricted general purpose fund		952,966	978,516
Total funds at 31 December		952,966	978,516

Notes 1 to 9 form part of these Annual Accounts.

Approved by the Trustees on 5 March 2021 and signed on their behalf by:


.....

P. D. Richings (Chairman)


.....

B. R. Forman (Treasurer)

Notes to the Accounts

1. Accounting policies

- (i) The Trustees have decided to prepare the accounts of the Trust Fund in accordance with the 'Statement of Recommended Practice: Accounting and Reporting by Charities' preparing their accounts under the 'Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the Charities Act 2011. These accounts are drawn up under the historical cost accounting basis except that investments are carried at market value.
- (ii) Donations are included in the Statement of Financial Activities when received, together with any associated tax credit. Investment income is recognised when received.
- (iii) Resources expended are accounted for on an accruals basis. In particular, grants provided to assist in the payment of school fees are recognised in the Statement of Financial Activities when they become due at the commencement of each term.
- (iv) Investments are included at the closing mid-market value at the Balance Sheet date. Any gain or loss is recognised in the Statement of Financial Activities.

2. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the accounts for each financial year which give a true and fair view of the Trust Fund's financial activities during the year and of its financial position at the end of the year.

The Trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2020. The Trustees also confirm that applicable accounting standards and statements of recommended practice have been followed and that the financial statements have been prepared on a going concern basis. The Trustees have considered the impact of the COVID-19 pandemic when making this assessment. In particular, income levels have remained fairly resilient in the year and resources are available to meet existing grant commitments.

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

The major risks to which the Trust Fund is exposed are kept under review and are taken into account when decisions are made concerning grants. The Trustees have set limits on the extent to which grants may exceed investment income over a rolling three year period.

The Trustees are mindful of the need for the Trust Fund to conform to the requirement for Charities to demonstrate public benefit and are satisfied that the Trust Fund conforms thereto.

3. Statement of investment policy

The Trustees' investment policy is to invest fully all funds not required in addition to investment income to meet commitments for grants in the near term (normally up to three years ahead), while retaining funds on deposit when market conditions make a delay in investing advisable. Investments are in unit trusts for charities and are divided between equities ('wider range investments') and fixed interest stocks ('narrower range investments') in proportions agreed by the Trustees and reviewed at their meetings.

The Trust Deed does not place restrictions on the use of funds and all funds are designated as unrestricted.

More than one unit trust manager is used. Currently the managers used are BlackRock (BLK Charities UK Bond Fund and BLK Charities Equity Fund), M&G (Charibond and Charifund) and CCLA (COIF Charities Investment Fund).

In view of the very low rates of interest available on the deposit account, cash awaiting investment or expected to be required for grants in the near term is held in the current account.

4. Income from donations and legacies

	2020	2019
	£	£
Individual donations	4,563	3,986
Legacies	18,616	10,000
Donations from The Sternians Association	621	1,872
Tax recoverable	1,074	930
	<u>24,874</u>	<u>16,788</u>

Within 'Donations from The Sternians Association', no amounts were raised from the annual Bournemouth reunion or further pupil reunions (2019: £121 and £263 respectively) following the cancellation of events due to the COVID-19 pandemic.

5. Income from investments

	2020	2019
	£	£
Received from narrower range investments	4,973	5,370
Received from wider range investments	26,549	29,452
	<u>31,522</u>	<u>34,822</u>

6. Expenditure on charitable activities

	2020	2019
	£	£
Grants for termly fees	<u>40,298</u>	<u>28,043</u>

The Trust Fund supported nine pupils during 2020 (2019: thirteen) in respect of whom £40,298 was charged to the Statement of Financial Activities during the year. The Trust Fund had committed support to five pupils (2019: eight) at the end of 2020, for whom further grants totalling £14,599 (2019: £30,300) are expected to be paid during 2021.

7. Other expenditure

	2020	2019
	£	£
Trustees' expenses	<u>58</u>	<u>201</u>
	<u>58</u>	<u>201</u>

Trustees' expenses represent travel and other costs of two Trustees (2019: Two). The Trustees make a donation to the Trust Fund equal to the expenses claimed, such that no payments were made to them in respect of this amount.

Neither the Trustees and the Independent Examiner, nor any person connected with them, have received any remuneration.

The Trust Fund has no employees and so incurs no staff costs.

8. Investments

	31 December 2020			31 December 2019		
	Holding	Cost	Market value	Holding	Cost	Market value
BLK Charities UK Bond	34,895	62,529	68,743	34,895	62,529	66,684
M&G Charibond	92,089	117,947	115,554	92,089	117,947	114,191
Narrower Range		<u>180,476</u>	<u>184,297</u>		<u>180,476</u>	<u>180,875</u>
BLK Charities UK Equity	18,674	72,162	120,542	18,674	72,162	122,745
M&G Charifund	21,815	207,807	299,435	21,815	207,807	362,287
COIF investment fund	18,452	234,897	332,341	16,085	194,897	272,298
Wider Range		<u>514,866</u>	<u>752,318</u>		<u>474,866</u>	<u>757,330</u>
Total Investments		<u>695,342</u>	<u>936,615</u>		<u>655,342</u>	<u>938,205</u>

Movement in market value

	2020	2019
	£	£
Market value at 1 January	938,205	816,029
Additions, at cost	40,000	12,000
Unrealised (losses)/gains on revaluation	(41,590)	110,176
Market value at 31 December	<u>936,615</u>	<u>938,205</u>
Historic cost at 31 December	<u>695,342</u>	<u>655,342</u>

9. Summary of net assets

	2020	2019
	£	£
Investments	936,615	938,205
Net current assets	16,351	40,311
Net assets	<u>952,966</u>	<u>978,516</u>