

The Sternians Trust Fund

Registered Charity: 1052004

Annual Report and Accounts

Year ended 31 December 2021

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
James Brewin (Hon. Secretary) (appointed 29 March 2021)
Ben Forman (Treasurer)
Richard Janaway
Shelley Lawson (appointed 29 March 2021)
Richard Saunders

Independent Examiner Chris Bellairs

Bankers Lloyds Bank
174 Fleet Road
Fleet
Hampshire
GU51 4DD

Report of the Trustees

Highlights

- Assistance was given to sixteen pupils, with grants totalling £29,000
- Individual donations received, including tax recovery, were almost £5,000
- Investment income was £34,100 against £31,500 in 2020
- Total assets rose from £953,000 to £1,059,000

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 have now exceeded £1,000,000 for the first time, with its investments recovering the unrealised losses sustained in 2020 following the onset of the coronavirus pandemic. The portfolio increased in value by almost £100k over the year. Annual investment income rose by 8% to £34,100.

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. During the year, we were pleased to welcome James Brewin and Shelley Lawson to the Trustee body. James has been the Hon. Secretary of the Trust Fund since 2017, and Shelley is both a Sternian and current pupil parent. Chris Bellairs was appointed Independent Examiner at the beginning of 2016; he was also a pupil at the College, leaving in 1993.

Grants

2021 saw assistance provided to 16 pupils, compared to nine in 2020. Total grants awarded of nearly £30,000 were £11,000 lower than the prior year's record total, albeit that the Trustees had committed an additional £20,000 of support to the nine pupils in receipt of grants at the 2021 year-end. 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 five pupils who were in receipt of support at the end of 2020 all left the College in July 2021. The Trustees subsequently agreed to support nine Foundationers for the 2021-22 academic year, where the Trust Fund will be filling the gaps left by other charities that do not provide grants beyond the 5th form.

Legacies & Donations

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. No legacies were received during the year (2020: £18,600).

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 30 regular donors, that is a noteworthy achievement, and we would like to thank them for their ongoing generosity.

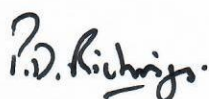
No donations were received from The Sternians Association in the year, partly because the pandemic again saw the cancellation of reunion events. We hope events and donations will be able to resume in 2022.

General Finance

The total assets of the Trust Fund rose during the year from £953,000 to £1,059,000. The market value of investments rose by £96,000. Investments, about 83% by value in wider range stocks (mainly equities), produced an income yield of 3.5%. Cumulatively, gains in market value, all in the equity investments, have amounted to £337,000, an increase of nearly 50% above the original cost. The investments are in funds specifically for charities. Investment income exceeded grants by £5,000 during the year. 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. The Fund's capital reached £1 million for the first time during the year, and continues to yield a robust income. This gives the Trust Fund the capacity to support consistently significant numbers of pupils, support which is likely to be much needed as the pandemic's ongoing effect is felt. I would reiterate our sincere thanks to the donors whose support continues to make this possible.



Paul Richings

Chairman of the Trustees

18 February 2022

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 2021 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
18 February 2022
Old Cottage, Shoreham, Kent

Statement of Financial Activities

	Notes	2021 £	2020 £
Income from donations and legacies	4	4,992	24,874
Income from investments	5	34,146	31,522
Total income		39,138	56,396
Expenditure on charitable activities	6	29,001	40,298
Other expenditure	7	56	58
Total expenditure		29,057	40,356
Net income		10,081	16,040
Unrealised gains/(losses) on investment assets		95,740	(41,590)
Net movement in funds		105,821	(25,550)
Fund balance brought forward at 1 January		952,966	978,516
Fund balance carried forward 31 December		1,058,787	952,966

All amounts derive from continuing activities.

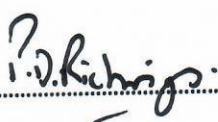
Notes 1 to 9 form part of these Annual Accounts.

Balance Sheet

	Notes	2021 £	2020 £
Fixed assets			
Investments	8	1,032,355	936,615
Current assets			
Current account		25,693	13,853
Deposit account		7	7
Income tax recoverable		732	2,491
Total current assets		26,432	16,351
Net current assets		26,432	16,351
Total net assets	9	1,058,787	952,966
Represented by:			
Unrestricted general purpose fund		1,058,787	952,966
Total funds at 31 December		1,058,787	952,966

Notes 1 to 9 form part of these Annual Accounts.

Approved by the Trustees on 18 February 2022 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 prepared the accounts of the Trust Fund in accordance with the 'Statement of Recommended Practice: Accounting and Reporting by Charities' and applicable UK Accounting Standards 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 start 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 2021. 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 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

	2021	2020
	£	£
Individual donations	4,046	4,563
Legacies	-	18,616
Donations from The Sternians Association	-	621
Tax recoverable	946	1,074
	<u>4,992</u>	<u>24,874</u>

5. Income from investments

	2021	2020
	£	£
Received from narrower range investments	4,396	4,973
Received from wider range investments	29,750	26,549
	<u>34,146</u>	<u>31,522</u>

6. Expenditure on charitable activities

	2021	2020
	£	£
Grants for termly fees	<u>29,001</u>	<u>40,298</u>

The Trust Fund supported sixteen pupils during 2021 (2020: nine) in respect of whom £29,001 (2020: £40,298) was charged to the Statement of Financial Activities during the year. The Trust Fund had committed support to nine pupils (2020: five) at the end of 2021, for whom further grants totalling £18,000 (2020: £14,599) are committed to be paid during 2022.

7. Other expenditure

	2021	2020
	£	£
Trustees' expenses	<u>56</u>	<u>58</u>
	<u>56</u>	<u>58</u>

Trustees' expenses represent travel and other costs of two Trustees (2020: 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 2021			31 December 2020		
	Holding	Cost	Market value	Holding	Cost	Market value
BLK Charities UK Bond	34,895	62,529	64,102	34,895	62,529	68,743
M&G Charibond	92,089	117,947	111,584	92,089	117,947	115,554
Narrower Range		180,476	175,686		180,476	184,297
BLK Charities UK Equity	18,674	72,162	133,595	18,674	72,162	120,542
M&G Charifund	21,815	207,807	339,491	21,815	207,807	299,435
COIF investment fund	18,452	234,897	383,583	18,452	234,897	332,341
Wider Range		514,866	856,669		514,866	752,318
Total Investments		695,342	1,032,355		695,342	936,615

Movement in market value

	2021	2020
	£	£
Market value at 1 January	936,615	938,205
Additions, at cost	-	40,000
Unrealised gains/(losses) on revaluation	95,740	(41,590)
Market value at 31 December	1,032,355	936,615
Historic cost at 31 December	695,342	695,342

9. Summary of net assets

	2021	2020
	£	£
Investments	1,032,355	936,615
Net current assets	26,432	16,351
Net assets	1,058,787	952,966