

The Sternians Trust Fund

Registered Charity: 1052004

Annual Report and Accounts

Year ended 31 December 2022

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Legal and Administrative

Registered charity number 1052004

Registered address Lord Wandsworth College
Long Sutton
Hook
Hampshire
RG25 1TB

Trustees Paul Richings (Chairman)
James Brewin (Hon. Secretary)
Ben Forman (Treasurer)
Richard Janaway
Shelley Lawson
Richard Saunders

Independent Examiner Chris Bellairs

Bankers Lloyds Bank
174 Fleet Road
Fleet
Hampshire
GU51 4DD

Report of the Trustees

Headlines

- Assistance was given to nine pupils, with grants totalling £24,000
- Individual donations received, including tax recovery, were almost £5,000
- Investment income was £36,600
- Total assets fell from £1,059,000 to £1,004,000

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 £340,000. Whilst the ongoing economic headwinds have seen a fall of £97,000 in the value of the Fund's assets, these losses are unrealised and have been partially recovered courtesy of the strong stock market performance since the reporting date. Furthermore, the income generated by the portfolio continues to increase, with annual income in 2022 rising by a further 7% to £36,600. This gives the Trust Fund the ability to make meaningful contributions to the students that it supports.

The Trustees

The current Trustees are all former pupils at the College. 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 (Honorary Treasurer) in 2015, after 12 years as Independent Examiner. James Brewin and Shelley Lawson were both appointed as trustees in 2021, James having served as Honorary Secretary of the Trust Fund since 2017, and Shelley being both a Sternian and current parent. Chris Bellairs was appointed Independent Examiner at the beginning of 2016; he was also a pupil at the College.

Teresa Armstrong stepped down as a trustee during the year. Teresa, who is the mother of a Sternian, became a Trustee in 2016; we are grateful for her contribution to the Trust Fund over the years that she has been involved.

Grants

2022 saw assistance provided to nine pupils, compared to 16 in 2021. Total grants awarded of £24,000 were £5,000 lower than in the prior year, though the Trustees have committed an additional £12,000 of support for the remainder of the 2022-23 school year to the six pupils in receipt of grants at the 2022 year-end. The Trustees work with the College to identify the widest possible range of eligible beneficiaries. Grants are funded out of investment income, with donations and legacies used to build up the capital of the Fund, which helps to preserve the Trust Fund's capacity to provide support as school fees rise over time. 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 the withdrawal of the request for support or because (for good reasons) they are not supported by the College.

All of the pupils supported during the year and as at the date of this report are Foundationers, where the Trust Fund has stepped in to fill the gap left by other charities whose previous support did not extend beyond the 5th form. Three out of the nine pupils who were in receipt of support at the end of 2021 left the College in July 2022. The Trustees subsequently agreed to extend the support provided to the remaining six pupils throughout the current academic year.

Legacies & Donations

Legacies have been a major factor behind the rapid growth of the Trust Fund's resources over recent years, contributing over £275,000 since 2006. A £25,000 legacy was received during the year, for which the trustees are most grateful (2021: nil).

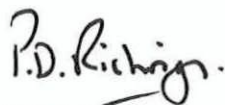
The trustees continue to appreciate the value of the support provided to the Trust Fund over the years by a small number of regular donors. Their gifts are in the region of £150,000, including tax recovery, without which the Trust Fund could not have achieved all that it has. This continuing generosity is never taken for granted, and we would like to reiterate our sincere thanks.

General Finance

The total assets of the Trust Fund fell during the year from £1,059,000 to £1,004,000. The market value of investments fell by £97,000, a figure that almost exactly matched the prior year's unrealised gain. Investments, about 84% by value in wider range stocks (mainly equities), produced an income yield of 3.7%. Cumulatively, gains in market value, all in the equity investments, have amounted to £270,000, an increase of over 50% above the original cost. The investments are in funds specifically for charities. Investment income exceeded grants by £12,600 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

Following the disruption caused by the pandemic, the current inflationary pressures sparked in large measure by the war in Ukraine will inevitably be felt by many pupils' parents. While the trustees have not yet seen this translate into increasing requests for support, we believe there is an increasing probability that this will occur. In this context we are pleased that the Trust Fund's strong financial position and increasing investment income should allow it to respond favourably to cases of merit as they arise. I should like to conclude by thanking the donors, trustees and College for the support that makes this possible.



Paul Richings
Chairman of the Trustees
24 February 2023

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 2022 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').

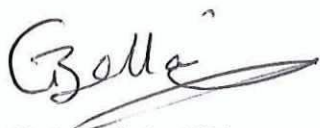
I report in respect of my examination of the accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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
24 February 2023
Old Cottage, Shoreham, Kent

Statement of Financial Activities

	Notes	2022 £	2021 £
Income from donations and legacies	4	29,938	4,992
Income from investments	5	36,594	34,146
Total income		66,532	39,138
Expenditure on charitable activities	6	24,000	29,001
Other expenditure	7	195	56
Total expenditure		24,195	29,057
Net income		42,337	10,081
Unrealised (losses)/gains on investment assets		(96,870)	95,740
Net movement in funds		(54,533)	105,821
Fund balance brought forward at 1 January		1,058,787	952,966
Fund balance carried forward 31 December		1,004,254	1,058,787

All amounts derive from continuing activities.

Notes 1 to 9 form part of these Annual Accounts.

Balance Sheet


	Notes	2022 £	2021 £
Fixed assets			
Investments	8	935,485	1,032,355
Current assets			
Current account		67,101	25,693
Deposit account		7	7
Income tax recoverable		1,661	732
Total current assets		68,769	26,432
Net current assets		68,769	26,432
Total net assets	9	1,004,254	1,058,787
Represented by:			
Unrestricted general purpose fund		1,004,254	1,058,787
Total funds at 31 December		1,004,254	1,058,787

Notes 1 to 9 form part of these Annual Accounts.

Approved by the Trustees on 24 February 2023 and signed on their behalf by:


.....

P. D. Richings (Chairman)


.....

B. R. Forman (Treasurer)

Notes to the Accounts

1. Accounting policies

- (i) The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Charities Act 2011.
- (ii) The financial statements have been prepared under the historical cost convention except that investments are carried at the closing mid-market value at the Balance Sheet date. Any gain or loss is recognised in the Statement of Financial Activities.
- (iii) Donations are included in the Statement of Financial Activities when received, together with any associated tax credit. Investment income is recognised when received.
- (iv) 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.

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 2022. 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 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

	2022	2021
	£	£
Individual donations	4,010	4,046
Legacies	25,000	-
Tax recoverable	928	946
	<u>29,938</u>	<u>4,992</u>

5. Income from investments

	2022	2021
	£	£
Received from narrower range investments	4,120	4,396
Received from wider range investments	32,474	29,750
	<u>36,594</u>	<u>34,146</u>

6. Expenditure on charitable activities

	2022	2021
	£	£
Grants for termly fees	<u>24,000</u>	<u>29,001</u>

The Trust Fund supported nine pupils during 2022 (2021: sixteen) in respect of whom £24,000 (2021: £29,001) was charged to the Statement of Financial Activities during the year. The Trust Fund had committed support to six pupils (2021: nine) at the end of 2022, for whom further grants totalling £12,000 (2021: £18,000) are committed to be paid during 2023.

7. Other expenditure

	2022	2021
	£	£
Trustees' expenses	<u>195</u>	<u>56</u>
	<u>195</u>	<u>56</u>

Trustees' expenses represent travel and other costs of two Trustees (2021: 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 2022			31 December 2021		
	Holding	Cost	Market value	Holding	Cost	Market value
BLK Charities UK Bond	34,895	62,529	50,947	34,895	62,529	64,102
M&G Charibond	92,089	117,947	99,742	92,089	117,947	111,584
Narrower Range		180,476	150,689		180,476	175,686
BLK Charities UK Equity	18,674	72,162	128,852	18,674	72,162	133,595
M&G Charifund	21,815	207,807	320,582	21,815	207,807	339,491
COIF investment fund	18,452	234,897	335,362	18,452	234,897	383,583
Wider Range		514,866	784,796		514,866	856,669
Total Investments		695,342	935,485		695,342	1,032,355

Movement in market value

	2022	2021
	£	£
Market value at 1 January	1,032,355	936,615
Unrealised (losses)/gains on revaluation	(96,870)	95,740
Market value at 31 December	935,485	1,032,355
Historic cost at 31 December	695,342	695,342

9. Summary of net assets

	2022	2021
	£	£
Investments	935,485	1,032,355
Net current assets	68,769	26,432
Net assets	1,004,254	1,058,787