

**THE SIR EDMUND DAVIS MEMORIAL TRUST TRUSTEE ANNUAL REPORT AND
FINANCIAL STATEMENT 2023 YEAR ENDED 31st MARCH 2024
CHARITY No: 1097046**

Reference and administrative information

Trustees

Jonathan D Sherlock (Chair)
Brenda Ladley (Secretary)
Richard Armishaw (Treasurer)
Rev'd Cathy Sigrist (retired December 2023)
Chloe Arnold
Delia Cooper
Charlotte Tillyard
Anthony Perrett
Jennie Litten-Brown

Registered office: The Vicarage, 3 Hambrook Close, Chilham, Canterbury, CT4 8EJ

Charity number: 1097046

Independent Examiner: Lesley Grove, FMAAT

Bankers: National Westminster Bank

Report of the Trustees for the year ending 31st March 2024

The Trustees present their annual report and financial statements of the charity for the above year end. The financial statements have been prepared in accordance with current accounting principles as set out in the Statement of Recommended Practice: Accounting and Reporting by Charities published in 2005 and comply both with the charity's Trust Scheme and The Charities Act 1993.

Structure, Governance and management

The Trust is an unincorporated grant-making trust under registered charity number 1097046. It is constituted under a Trust Scheme dated 3rd March 2003. The Trust was established by an initial gift of freehold property in the village of Chilham, Kent, bequeathed by Sir Edmund Davis in his last Will, as proved at the Principal Probate Registry on 1st June 1939.

The assets of the Trust include the original bequeathed property under title number K831090 known as (i) Belke House, (ii) Little Belke and land now forming part of the

Primary School, Chilham St Mary's Church of England Primary School (the School), with buildings upon that portion of land now used as the canteen, assembly/meeting room, main staff room and early years class rooms.

Both Belke House and Little Belke are tenanted residential properties that are let under Assured Shorthold tenancies which are administered for the Trust by commercial letting agents.

The Trust does not actively fundraise but has in 2019 been in receipt of additional cash funds from another local charity that subsequently was closed. Again in 2023 the Trust was in receipt of further cash sums of £3,891.41 from another local charitable trust. The Trust seeks to further the original charitable aims of the donor through the stewardship of these resources as remain unutilized to date.

All Trustees give their time freely and none are remunerated. There have been no trustee expenses claimed nor paid within the year and nor is this an occurrence that has happened in previous years of late.

New trustees are appointed by the trust body from the current (ex-officio) Board of Governors of the School, together with up to two co-opted trustees who shall hold office for a term of 4 years. There were 8 trustees at the end of the financial year 31st March 2024. At present the trustee appointment comprises Chair and Vice Chair of Governors, Headteacher of Chilham School and other school governors. The position of vicar of the ecclesiastical parish of Chilham (now Priest in Charge of the Kingswood Benefice) was vacant at the end of the financial year. The new incumbent will become an ex officio trustee when licenced. One current trustee is a co-opted trustee who is not a school governor. Trustees are given an information pack upon appointment to acquaint themselves with the Trust objectives and its structure.

The Trustees recognise the potential for a conflict of interest and ensure that the Chair always declares his interest as Chair of the School Finance Governors. The Scheme requires that no Trustee can receive any financial benefit from the Trust nor have a financial interest in the supply of goods or services and for this reason the properties are managed by an independent commercial property agent who reports to the Secretary. The freehold ownership of property has in recent years been transferred so as to vest in the official Custodian. In addition, the Trustees have adopted not just the Trust Scheme but also a funding policy for the making of grants.

The Trust holds quarterly meetings at which reports are given as to the finances, the state of the property portfolio and updates on grants. The Trust holds an AGM in mid-summer at which the Treasurer will usually advise the Trustees of the projected sums available for funding successful grant bids to be submitted within that financial year. All meetings are subject to written notice being given to all Trustees, to minutes being taken and subsequently approved, and to voting by a suitable quorum of qualifying attendees.

Trustees encourage the School to submit grant bids in the mid-summer quarterly meeting so as to ensure any approved grant will be available for school spending over the summer in advance of the next financial year. Nevertheless, there is nothing to prevent the School from making bids for grants at any quarterly meeting. Any approved grants that involve the procuring of goods or services by the School from external suppliers are paid to the School upon production of an invoice. In those situations, the balance of an approved grant that exceeds actual expenditure is not paid and rolls forward for future potential grants. In other cases, typically where the grant has approved the funding of School staffing, such approved grants are paid upon request by the Headteacher.

The day-to-day administration of grant making is delegated to the Treasurer and Secretary.

Objectives and activities

The objectives of the trust are to use the property bequeathed to the Trust for the benefit of the children of the village, as provided through grants to the School. Requests for grant funding are made by the School after determining what is appropriate. Fundamentally this process is in the name of the Board of Governors who have financial control of the School but, in practice, is by the Headteacher acting under delegated authority.

The Trusts fulfils this objective by retaining and maintaining a portfolio of property, from which it derives income, with such income used primarily to maintain the properties, then to run a reserve fund and finally, to employ all surplus funds to make grant donations to the School. Grants are made where bids are received that the Trustees deem conform to the current grant funding policy.

Non-exhaustive examples of grant funding in recent years includes one-off equipment purchases for the school such a new white board or a reading accelerator programme/materials, the creation of new sensory garden area and experience for early years pupils to explore and to play in, the refurbishment of classrooms and other parts of school buildings where capital grants cannot be obtained from the local authority, and the funding of new or the extending of existing school staffing posts that are not covered by Local authority funding.

The aims take into account the creation in recent years of the Early Years Fund, comprising the donation made to the Trust in 2019 by the Little Owls Trust, which the Trust holds in cash and maintains it as for the benefit of pre-school age children of the village. Since the School runs a reception class for children younger than the national school-age for Year 1, the Early Years Fund is employed for the exclusive benefit of this early years class.

Grant making policy

The Trust has established its grant making policy to further its objectives. This comprises two separate policies that separately regulate the determination of successful bids for (i) the general funds held by the Trust and (ii) the Early Years Fund.

All grant bids submitted to the Trust are voted on by reference to whether they meet the relevant policy. Furthermore, the Trustees regulate the amount of money awarded in grants by reference to the AGM financial report given by the Treasurer in which the Trustees are informed of available cash assets and the amount the Treasurer recommends as appropriate for use on grants within that financial year. The Trustees resolve to follow the Treasurer's recommendations or agree a different upper threshold as appropriate for the remainder of that financial year.

The Trust does not publish these funding policies nor provide details of how to apply for grants because the objectives of the trust require that all grants are instigated by and administered through the School.

Risk Management

The Trustees have considered the major risks which the charity is exposed to and review those risks periodically. Cash assets are held with a regulated High Street Bank. The trust property portfolio is insured, as are the Trustees under a commercial D&O policy.

The major risk is an unforeseen event that affects the habitability – and thus the revenue stream – of either of the two residential tenanted properties. On the basis that such risks may fall outside of insured risks i.e. financially significant maintenance obligations that fall due occasionally with such properties, the Trustees maintain a cash reserve that is maintained at £20,000. This sum is reviewed from time to time as was last increased in 2022.

The risk of misuse of grant funding or inappropriate grant applications is minimised by the need for (i) all grant funding applications (bids) to have to come via the School, (ii) for all bids to have to go before the full board of Trustees to be voted upon, and (iii) all successful bids to be subject to the production of proof of expenditure by the School before payment by the Trust.

A review of performance

The Trust made grant donations totalling £21,746.74 within the financial year.

Trustees receive updates from the Headteacher on the benefit received from grants made to the School and so can review if the underlying objective of benefitting the village children has been fulfilled in each circumstance. If not, then it will allow the Trustees to review whether such a grant was as a result of any funding policy inadequacies that may need further review. No such situation has occurred in recent times.

Financial review

The Trust's activities rely entirely on income from the two tenanted properties. The Trust does not charge rent to the School for the use of land occupied by the School which is held by the Official Custodian for the Trust as it has always been considered that such fulfils the objectives of the Trust.

The level of rental income is reviewed by Trustees prior to each rent review date in the respective tenancy agreements. The Trustees take this decision in light of the advice of their appointed lettings agents on what is the appropriate rent to be charged from time to time.

The Trust does not hold cash assets of such a significant sum as to be considered as appropriate to invest other than (i) in a current account (in respect of non-reserve funds available for use on property maintenance and grants) and (ii) a high interest bank deposit account (in respect of the reserve fund).

Reserves Policy

The Trustees maintain a cash reserve policy and this is presently set at £20,000. This reserve is maintained to be used for exceptional items of property maintenance that are required from time to time by the property portfolio. The reserves policy is reviewed by way of a structural survey which is undertaken every 10 years by a qualified surveyor who reports on the significant maintenance obligations that shall likely fall due within the next 10 years.

Plans for the future

The Trust remains an enduring legacy of the generosity of Sir Edmund.

The Trustees shall continue to review what funds are available to the School for bids and whether the funding policies remain relevant to the Trust objectives and the needs of the School.

Trustees' responsibilities in relation to the financial statements.

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year and which give a true and fair view of the state of affairs of the charity and of the income resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with The Charities Act 1993, The Charity (accounts and Reports) Regulations 2008 and the provisions of the Trust Scheme. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees do not maintain a website.

Approved by the Trustees on 18th December 2024 and signed on their behalf by:

Jonathan D Sherlock

J D Sherlock Chair of Trustees

THE SIR EDMUND MEMORIAL TRUST
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDING 31ST MARCH 2024

	<u>2024</u>	<u>2023</u>
	£	£
<u>INCOME</u>		
Income from lettings	25,467.50	24,925.00
Business reserve account interest	269.79	85.67
Combined Charities	3,819.41	
	<u>29,556.70</u>	<u>25,010.67</u>
<u>EXPENDITURE</u>		
Property management fees	3,356.10	3,290.10
Property Insurance		1,063.88
Building maintenance	5,000.80	922.00
Trustees' Insurance	422.68	401.00
Independent Examiner	450.00	0.00
	<u>9,229.58</u>	<u>5,676.98</u>
Net Income	<u>20,327.12</u>	<u>19,333.69</u>
School support	21,746.74	11,703.30
<u>SURPLUS FOR THE YEAR</u>	<u>-1,419.62</u>	<u>7,630.39</u>
Balance brought forward (including Early Years)	44,808.57	37,178.18
Balance carried forward	<u>43,388.95</u>	<u>44,808.57</u>
<u>Early Years Fund (Part of General Fund)</u>		
Balance bought forward	19,502.17	21,718.16
Less: Early Years Support	3,000.00	2,215.99
Balance carried forward	<u>16,502.17</u>	<u>19,502.17</u>
<u>BUSINESS RESERVE FUND - RETRICTED FUND</u>		
Balance bought forward	20,078.16	17,092.49
Pluss /(Less): Inter-account transfers		2,900.00
Plus: Interest	269.79	85.67
Balance carried forward	<u>20,347.95</u>	<u>20,078.16</u>

BALANCE SHEET
AS AT
31ST MARCH

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash at bank - Current account	44,759.16	46,448.57
Cash at bank - Business Reserve account	20,347.95	20,078.16
NET CURRENT ASSETS	<u>65,107.11</u>	<u>66,526.73</u>

..... Dated
Dan Sherlock (Chair)

The Sir Edmund Davis Memorial Trust Accounts
Year Ended 31st March 2024

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 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

Examine the accounts under section 145 of the Charities Act. To follow the procedures laid down by the General Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act) and to 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 the 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 the course of my examination, no matter has come to my attention:

1. Which gives me reasonable cause to believe that in, any material respect the requirements to keep accounting records in accordance with section 130 of the Charities Act and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charity 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

signed:



Mrs Lesley Grove FMAAT
Sunnyside
Church Lane
Petham
Canterbury
Kent CT4 5RD

dated:

25th September 2024.