

THE STERLING CHARITY
(Registered Charity Number: 1127454)

ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE STERLING CHARITY

CONTENTS

	Page
Annual Report of the Trustees	1 - 5
Independent Auditor's Report	6 - 9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 18

THE STERLING CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees submit their annual report and the independently audited financial statements of The Sterling Charity ("the Charity") for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Charities Act 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 in October 2019.

1. REFERENCE AND ADMINISTRATIVE DETAILS

The Charity, registered charity number 1127454, is based and administered in the United Kingdom. The registered address is 95 The Promenade, Cheltenham, Gloucestershire, GL50 1HH.

Trustees:

The names of the trustees who served during the period and those who continue to serve at the date of this report's approval unless otherwise stated are:

Warren Matthews
 Elton Shane
 Paul David Hunston

Independent Auditor:

Rawlinson & Hunter Audit LLP
 Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ

Solicitors:

Wiggin Osborne Fullerlove
 95 The Promenade, Cheltenham, Gloucestershire, GL50 1HH

Whitman Breed

960 Capability Green, Luton, Bedfordshire, LU1 3PE

Investment Managers:

Rothschild Wealth Management (UK) Ltd, New Court, St Swithin's Lane, London, EC4N 8AL

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by a Declaration of Trust dated 8 December 2008 and registered with the Charity Commission on 9 January 2009. It is an unincorporated charitable trust governed by the proper law of England and Wales.

The entire resources of the Charity have been unrestricted throughout the year and the trustees have complete discretion for their use in furtherance of the objects of the Charity. Any money or property not immediately required for the Charity's purposes can be held or invested as the trustees determine.

THE STERLING CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Appointment and removal of trustees

Appointment of office holders and trustees is governed by the Declaration of Trust of the Charity.

Trustee inductions and training

Should new trustees be appointed a formal induction process will be conducted by the trustees. Other trustee training is undertaken as and when appropriate. All trustees are aware of their legal obligations under Charities Act 2011.

Organisation and management

The Charity is administered on a daily basis by Timothy William Osborne who reports directly to the trustees.

The trustees formally meet at least twice a year.

Pay policy for senior staff

All trustees give their time freely and no trustee received remuneration in the year.

Related Parties Affiliation

The Charity is not associated with any other charity.

Trustees' Responsibilities Statement

The trustees are responsible for preparing the 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 trustees to prepare financial statements for each financial 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 year. 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 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures 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 operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE STERLING CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of Trustees' Responsibilities (continued)

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Reserves Policy

The trustees are concerned with maintaining sufficient levels of reserves to enable the Charity to carry out its charitable objects. The trustees believe that the reserves are sufficient for the Charity's current purposes and these are reviewed on a regular basis. These funds will be utilised for the objects of the Charity. In agreeing to any substantial funding the trustees will continue to have regard to maintaining a reasonable level of reserves to safeguard the objectives of the Charity in the short term.

Risk Management

The trustees actively review the major risks which the Charity faces on a regular basis and believe that maintaining sufficient reserves, combined with regular review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The trustees have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate the significant risks.

3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects of the Charity are such exclusively charitable purposes as the trustees may in their absolute discretion determine.

The Charity is established to aid the relief of poverty, relief of those in need by reason of youth, age, ill-health, disability, financial hardship, or other disadvantage, the advancement of education, the advancement of science, the advancement of the arts, the advancement of religion, the advancement of health or the saving of lives and the advancement of environmental protection or improvement throughout the world.

Statement of Public Benefit

The trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it. They consider the information which follows in this annual report, about the Charity's aims, activities and achievements in the areas of interest that the Charity supports demonstrates the benefit to its beneficiaries and through them to the public that arise from those activities.

THE STERLING CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

4. ACHIEVEMENT AND PERFORMANCE

During the year the Charity was focused on accumulating sufficient reserves to enable it to achieve its charitable objects and deliver public benefit in the future. The trustees believe, having taken into account Charity Commission guidance, that they will meet the public benefit criteria going forward.

Charitable activities

During the year, the trustees made donations totalling £141,000 (2019 - £105,996) to various charities. A full list of grants made during the year is reflected in note 4, on page 15.

Governance costs of £23,924 (2019 - £22,791) were incurred during the year, and are included within Charitable activities.

5. FINANCIAL REVIEW

Incoming Resources & Resources Expended

Incoming resources totalled £152,195 (2019 - £140,877) comprising of investment income. The Charity's income was received from the investment portfolio.

Investment income is gross of investment management costs. Investment management costs are separately accounted for under resources expended and more specifically under costs of generating funds.

Investment Objectives and Investment Management Policy

The Sterling Charity's investment objective is to preserve the Charity's assets in real terms (Pounds Sterling) with a modest level of growth through capital growth and income.

The annualised return objective is CPI+2%, which would allow for the Charity's capital to be maintained (in real terms) and allow for some distributions to support its charitable objects.

Investment Strategy

This return objective requires a medium risk profile whereby the Charity's portfolio may experience regular fluctuations, which could result in a loss. A medium-term (7 to 10 years) time horizon is required. The trustees have delegated the implementation of the investment strategy to Rothschild Wealth Management (UK) Limited ("Rothschild") who manage the investments of the Charity. During the year, under advice from Rothschild the trustees changed their portfolio risk strategy to "cautious" from "low" predicated on the resurgent global economy and decreasing volatility across the board. The trustees meet regularly with Rothschild and, if circumstances require, will amend their approach to portfolio risk from time to time.

THE STERLING CHARITY
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

7. INTERNAL CONTROLS

The trustees are responsible for maintaining an adequate system of internal controls and keeping proper accounting records which 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 and SORP 2019.

The trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps towards the prevention and detection of fraud.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

8. GRANT MAKING POLICY

The Charity has been established to provide grants for purposes that are exclusively charitable under the law of England and Wales. The Charity has in place sound grant making arrangements so that it can properly select appropriate grantees.

9. PLANS FOR THE FUTURE

The trustees do not currently propose to deviate from the current objectives and activities of the Charity as detailed in note 3, above. Rothschild Wealth Management (UK) Limited, an external investment firm, continues to manage the assets of the Charity on a discretionary basis going forward.

10. AUDITORS

It will be proposed at the next trustees' meeting that Rawlinson & Hunter Audit LLP will be re-appointed as auditor to the Charity for the ensuing year.

Approved by the Trustees on *19th OCTOBER 2021* and signed on their behalf by:



Paul David Hunston

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
THE STERLING CHARITY

Opinion

We have audited the financial statements of The Sterling Charity (the "Charity") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
THE STERLING CHARITY (continued)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Annual Report of the Trustees; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal controls as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF

THE STERLING CHARITY (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached for the reasons outlined below:

- due to the relatively simple business model and minimal transactions within the Charity there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We ascertained the most significant legislation was the Charities Act 2011, money laundering legislation and health and safety. The extent of compliance with these laws and regulations was assessed as part of our procedures on the related financial statement items by:

- enquiry of management to understand where there was susceptibility to fraud and whether they have the knowledge of any actual suspected or illegal fraud;
- enquiry of management to identify any instances of non-compliance with laws and regulations; and
- consideration of the controls that the Charity has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those controls.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the review of trustees minutes;
- the analytical review of the detailed statement of financial activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charity activities during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Charity for previously unreported related party transactions; and
- review of transactions and journals for any indication of fraud or management override.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
THE STERLING CHARITY (continued)**

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ

Date: 25 October 2021

Rawlinson & Hunter Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE STERLING CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds For Year to 31 December 2020 £	Unrestricted Funds For Year to 31 December 2019 £
INCOME AND EXPENDITURE			
Incoming resources			
Investment income	2	152,195	140,877
Total incoming resources		<u>152,195</u>	<u>140,877</u>
Expenditure on			
Cost of generating funds	3	(140,654)	(136,437)
Charitable activities	4	(164,924)	(128,787)
Total resources expended		<u>(305,578)</u>	<u>(265,224)</u>
Other recognised gains			
Realised gain / (loss) on investments	6	319,603	(42,307)
Unrealised gain on investments	6	1,008,800	1,440,394
Foreign exchange (loss) / gain	5	(35,444)	1,701
Total other recognised gains		<u>1,292,959</u>	<u>1,399,788</u>
Net movement in funds		<u>1,139,576</u>	<u>1,275,441</u>
Reconciliation of funds			
Total funds brought forward at 1 January 2020		13,865,828	12,590,387
Total funds carried forward at 31 December 2020		<u>15,005,404</u>	<u>13,865,828</u>


The Statement of Financial Activities includes all gains and losses recognised during the year.

All incoming resources and resources expended derive from continuing activities.

THE STERLING CHARITY
BALANCE SHEET
AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed Assets			
Investments	6	14,498,935	13,700,966
Cash under management	6	<u>521,680</u>	<u>179,551</u>
		15,020,615	13,880,517
 Creditors - Amounts falling due in one year	 7	 <u>(15,211)</u>	 <u>(14,689)</u>
Net current liabilities		<u>(15,211)</u>	<u>(14,689)</u>
 Total assets less current liabilities		 <u>15,005,404</u>	 <u>13,865,828</u>
Net Assets		<u><u>15,005,404</u></u>	<u><u>£13,865,828</u></u>
Represented by:			
UNRESTRICTED FUNDS			
Capital Fund		<u><u>15,005,404</u></u>	<u><u>£13,865,828</u></u>

The financial statements were approved and authorised for issue by the Board on 19th OCTOBER 2021 and signed on their behalf by:


 Paul David Hunston

THE STERLING CHARITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash outflow from operating activities		
Net movement in funds	1,139,576	1,275,441
Less income from investments	(152,195)	(140,877)
Decrease in debtors	0	3,491
Increase in creditors	522	1,023
Unrealised gain on investments	(1,008,800)	(1,440,394)
Realised (gain) / loss on investments	(319,603)	42,307
Net cash outflow from operating activities	<u>(340,500)</u>	<u>(259,009)</u>
Cash inflow from investing activities		
Payments to acquire investments	(2,760,370)	(1,386,255)
Receipts from sale of investments	3,290,804	1,147,520
Income from investments	152,195	140,877
Net cash inflow / (outflow) from investing activities	<u>682,629</u>	<u>(97,858)</u>
Net increase / (decrease) in cash and cash equivalents	342,129	(356,867)
Cash and cash equivalents at 1 January	179,551	536,418
Cash and Cash equivalents at 31 December	<u>521,680</u>	<u>179,551</u>
Cash at bank and in hand	521,680	179,551
Cash under management	-	-
Cash and Cash equivalents at 31 December	<u>521,680</u>	<u>179,551</u>

THE STERLING CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The Sterling Charity (the Charity"), registered number 1127454, is based and administered in the United Kingdom. The registered address is 95 The Promenade, Cheltenham, Gloucester, GL50 1HH. The nature of the Charity's operations and principal activities are set out in the Trustees' Annual Report.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019 ("SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Fixed asset investments

Fixed asset investments are included at closing market value at the balance sheet date. Realised gains and losses on investments are recognised on disposal of investments and any gain or loss on revaluation is taken to the Statement of Financial Activities. The determination of any gains and losses is calculated by reference to the market value of such assets at the beginning of the accounting period.

Cash held for investment is included within investment in accordance with SORP (FRS102).

Incoming resources

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. Interest income and dividend income is recognised as the Charity's right to receive payment is established and the amount of the income receivable can be measured reliably.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation committing the Charity to the expenditure.

Charitable activities comprise grants and donations made during the period and are expended through the Statement of Financial Activities when a firm commitment is conveyed to the recipient.

Governance costs include the costs associated with meeting the constitutional and statutory obligations of the charity, as opposed to the management functions inherent in generating funds.

Status of funds

All funds are held on an unrestricted basis. The trustees have complete discretion for their use in pursuance of the Charity's objectives and which have not been designated for other purposes.

THE STERLING CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transactions value.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate. All differences are taken to the Statement of Financial Activities.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the entity's cash management.

Taxation

The Charity is not subject to any taxes on its charitable activities.

Irrecoverable VAT is not separately analysed and is charged to the Statement of Financial Activities when the expenditure to which it relates is incurred and allocated.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The levels of funds held and the levels of income and expenditure, together with the level of reserves are considered sufficient for the Charity to meet its requirements for a period of at least 12 months from the signing of the financial statements.

Judgements and key sources of estimated uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances that effect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The trustees do not consider there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

THE STERLING CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
2. INVESTMENT INCOME		
Income from investments	152,195	140,887
	<u>£152,195</u>	<u>£140,887</u>
3. COST OF GENERATING FUNDS	2020	2019
	£	£
Investment management fees	140,654	136,437
	<u>£140,654</u>	<u>£136,437</u>
4. CHARITABLE ACTIVITIES	2020	2019
The following grants were awarded during the year	£	£
Medical Engineering Resource Unit (UK Registered No. 269804)	23,500	17,666
The Movement for Non-Mobile Children (Whizz-Kidz) (UK Registered No.802872)	23,500	17,666
Demand Design and Manufacture for Disability (UK Registered Charity No.1008128)	23,500	17,666
Ruskin Mill Trust (UK Registered Charity No.1137167)	23,500	17,666
West of England School & College for young people with little or no sight (UK Registered Charity No.1058937)	23,500	17,666
Child Brain Injury Trust (UK Registered Charity No.1113326)	23,500	17,666
	<u>£141,000</u>	<u>£105,996</u>
Governance Costs		
Independent auditor's fees	16,880	10,068
Legal fees	7,044	10,023
Other	-	2,700
	<u>£164,924</u>	<u>£128,787</u>

There are no employees other than the trustees who are key management.

THE STERLING CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. FOREIGN EXCHANGE	2020 £	2019 £
Foreign exchange (loss) / gain	(35,444)	1,701
	<u>£(35,444)</u>	<u>£1,701</u>
6. INVESTMENTS (AT MARKET VALUE)	2020 £	2019 £
Quoted investments within the United Kingdom	7,321,365	7,371,444
Quoted investments outside the United Kingdom	7,177,570	6,329,522
	<u>14,498,935</u>	<u>13,700,966</u>
Cash held as part of portfolio	521,680	179,551
Total investments and cash under management	<u><u>£15,020,615</u></u>	<u><u>£13,880,517</u></u>
	2020 £	2019 £
Net realised gain on UK investments	101,093	31,592
Net realised gain / (loss) on overseas investments	218,510	(73,899)
Total net realised gain / (loss) on investments	<u><u>£319,603</u></u>	<u><u>£(42,307)</u></u>
	2020 £	2019 £
Net unrealised gain on UK investments	63,258	1,149,767
Net unrealised gain on overseas investments	945,542	290,627
Total net unrealised gain on investments	<u><u>£1,008,800</u></u>	<u><u>£1,440,394</u></u>
Quoted investments within the United Kingdom		
Market value 1 January	7,371,444	6,756,012
Transfer at market value		248,498
Additions at cost	1,694,719	754,394
Disposals	(1,909,149)	(709,679)
Net realised investment gain	101,093	31,592
Net unrealised investment gain	63,258	290,627
Market Value at 31 December	<u><u>£7,321,365</u></u>	<u><u>£7,371,444</u></u>
Historic Cost at 31 December	<u><u>£7,152,376</u></u>	<u><u>£7,057,147</u></u>

THE STERLING CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. INVESTMENTS (AT MARKET VALUE) (Continued)

Quoted investments outside the United Kingdom

	2020	2019
	£	£
Market value 1 January	6,329,522	5,308,132
Transfer at market value		(248,498)
Additions at cost	1,065,651	631,861
Disposals	(1,381,655)	(437,841)
Net realised investment gain / (loss)	218,510	(73,899)
Net unrealised investment gain	945,542	1,149,767
Market Value at 31 December	<u>£7,177,570</u>	<u>£ 6,329,522</u>
Historic Cost at 31 December	<u>£3,857,255</u>	<u>£ 4,087,085</u>

Material holdings were as follows (percentage of the portfolio value):

R Wealth Management SICAV-SIF selected funds	28.31%	34.25%
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7. CREDITORS - amounts falling due within one year

	2020	2019
	£	£
Accruals	15,211	14,689
	<u>£15,211</u>	<u>£14,689</u>

8. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No trustees or persons connected with them received any remuneration, and no expenses were reimbursed to them during the year.

Paul Hunston, who served during the year, is a partner in the firm of solicitors Wiggin Osborne Fullerlove who are the solicitors of the Charity. The Charity incurred fees from Wiggin Osborne Fullerlove totalling £7,044 (2019 - £6,533) in relation to legal advice and services relating to 2020. Invoices raised by Wiggin Osborne Fullerlove were approved during the course of the year by the Board of trustees (excluding Mr Hunston) in accordance with clause 25(i) (b) of the Charity's Declaration of Trust.

Elton Shane who served during the year is the principal of Whitman Breed. The charity incurred fees from Whitman Breed totalling £Nil (2019 - £3,491) in relation to legal advice and services relating to 2020. Invoices raised by Whitman Breed were approved during the course of the year by the Board of trustees (excluding Mr Shane) in accordance with clause 25(i) (b) of the Charity's Declaration of Trust).

THE STERLING CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of trustees.

10. FINANCIAL INSTRUMENTS

The carry amounts of the charity's financial instruments are as follows:

	2020 £	2019 £
<i>Financial assets</i>		
Measured at fair value through SOFA:		
-Fixed asset quoted investments (Note 6)	14,498,935	13,700,966
-Cash under management (Note 6)	521,680	179,551
<i>Financial liabilities</i>		
Measured at amortised cost:		
-Accruals (Note 7)	15,211	14,689
The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:		
<i>Income and expense</i>		
Measured at fair value through SOFA:		
<i>Net gain (including changes in fair value)</i>	1,292,959	1,399,788