# OLD ETONIAN TRUST(THE)

England & Wales · Charity number 1151597

## Details

| | |
|---|---|
| **Other names** | THE OLD ETONIAN TRUST, N/A |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 00359518 |
| **Registered** | 2013-04-11 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | The Old Vicarage<br>Great Hormead<br>Buntingford<br>Hertfordshire<br>SG9 0NT |
| **Phone** | 01763289413 |
| **Email** | theoldetoniantrust@btopenworld.com |

## Activities

**Objects:** THE ADVANCEMENT OF EDUCATION; AND THE FURTHERANCE OF SUCH CHARITABLE OBJECTS CONNECTED WITH ETON COLLEGE AS THE COUNCIL IN ITS ABSOLUTE DISCRETION MAY DETERMINE.

**Activities:** The advancement of education; and the furtherance of charitable objects connected with Eton College.

## Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** Education/training
- **Who:** Children/young People

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## Geography

- **Area of benefit:** LOCAL
- Windsor And Maidenhead

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-12-31 | £415,253 | £440,605 | - | - |
| 2023-12-31 | £378,101 | £47,434 | - | - |
| 2022-12-31 | £371,223 | £679,998 | - | - |
| 2021-12-31 | £331,521 | £134,387 | - | - |
| 2020-12-31 | £397,475 | £843,504 | - | - |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Ashe George Russell Windham | | 2011-06-21 |
| Charles James Robarts | | 2011-06-21 |
| Fergus Philip Paul McNeil Boyd | | 2025-07-01 |
| Henry Lyttelton Alexander Hood | | 2025-07-01 |
| Lord Suffield | | 2018-07-31 |
| Peter John McKee | | 2021-07-15 |
| Piers Alexander David Inkin | | 2011-06-21 |
| RORY BUCHANAN LANDMAN | | 2011-06-21 |
| Rory Daniel Oswald MacLeay | | 2013-10-11 |
| Sir Nicholas David Coleridge | | 2024-06-24 |

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**OLD ETONIAN TRUST(THE)**

England & Wales - Charity number 1151597

# Accounts

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's Report and Financial Statements

**For the year ended 31 December 2024**

Registered Company Number 359518

Registered Charity Number 1151597

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's report and financial statements

## Contents


| | *Page* |
|---|---|
| Members of the Council | 2 |
| List of Advisers | 2 |
| Council's report | 3 - 5 |
| Statement of responsibilities of the Members of the Council | 6 |
| Independent auditors' report | 7 - 8 |
| Statement of Financial Activities | 9 |
| Balance sheet | 10 |
| Notes | 11 - 20 |

## The Old Etonian Trust

*(Limited by guarantee)*

## Trustees ("members of the Council")

AGR Windham CVO (Chairman)
Lord Bridges KCVO
Sir Nicholas Coleridge (appointed 24 June 2024)
PAD Inkin
RB Landman
RDO Macleay
PJ McKee
CJ Robarts (Secretary)
Lord Suffield
Lord Waldegrave of North Hill (resigned 24 June 2024)

## Principal address

The Old Vicarage
Great Hormead
Buntingford
Hertfordshire
SG9 0NT

## List of advisers

| | |
|---|---|
| **Bankers** | Coutts & Co<br>440 Strand<br>London<br>WC2R 0QS |
| **Solicitors** | Farrer & Co LLP<br>66 Lincoln's Inn Fields<br>London<br>WC2A 3LH |
| **Investment managers** | Cazenove Capital<br>1 London Wall Place<br>London<br>EC2Y 5AU |
| **Statutory auditors** | Price Bailey LLP<br>Causeway House<br>1 Dane Street<br>Bishop's Stortford<br>Hertfordshire<br>CM23 3BT |

# The Old Etonian Trust
*(Limited by guarantee)*

## Council's report

### Constitution
The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association, which were updated during 2018 to reflect an update the objects. The objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund.

The Members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting policy for the year.

The day-to-day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries. The Charity does not carry out any significant fundraising activities and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of any fundraising activities.

### Fund accounting
Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Reserves policy
The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year together with an element of capital growth, with the balance of capital growth retained in the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £17.2 million at 31 December 2024 of which £7.6 million were unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims to maintain cash balances to cover at least one year of forward bursary commitments.

### Investment policy
The Investment Committee meets three times during each year to provide advice and guidance to the Council on investment policy. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least quarterly valuations.

The Council's policy is to maximise the return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investment objective is to achieve a balance between capital growth and a steady, growing level of income from a multi asset portfolio, predominantly investing in equities and bonds.

The aim of the portfolio is to generate sustainable income, growing at least in line with school fees inflation, as far as possible. The Council aims for annual expenditure that is based on investment income consistent with the yield on the MSCI World index together with an allowance for capital growth. Investments are in authorised funds giving a wide spread of securities managed by highly reputable financial institutions.

At 31 December 2024, the Charity holds £0.5 million in cash, together with £0.4 million in short-dated bonds, which is expected to enable it to maintain the current level of bursaries over the next few years.

During 2024, there have been net gains on investments of £1.0 million (*2023: gains £0.4 million*), which is an increase of 6% reflecting an increase in stock market values during 2024. The total return on the investment portfolio was a net gain 8% (*2023: net gain 5%*). The Investment Committee monitors performance of the portfolio compared to benchmark indices.

**Grant making**
The Council agrees the maximum amount of funds available for bursary awards each year. Applications for Eton bursaries are considered by the Bursary Committee at Eton. Awards are assessed on grounds of financial need and the perceived quality of the applicant and are reviewed regularly, being liable to withdrawal should circumstances change. Awards are approved by the Chairman and the Secretary. Awards are paid directly to the school. Travel bursaries are considered by a separate committee at Eton and are subsequently approved by the Chairman and the Secretary while other specific grants are decided by the Council.

**Risk assessment**
The Council has reviewed the major risks associated with the Charity and is satisfied that systems are in place to mitigate those risks. It has identified the following key risks:

- Misuse of the trust funds by recipients. The Council seeks to limit exposure through funding policies, the Charity does not provide funding to educational institutes based outside the UK and does not make payments direct to an individual;
- A decline in investment performance resulting in income being insufficient to meet demand for bursaries or to meet existing commitments. The Council seeks to mitigate this by investing in a spread of authorised funds giving a spread of securities, with performance being monitored on a regular basis;
- Significant school fee inflation could limit the Charity's ability to meet demand. The Charity could use capital to meet higher demand but this will impact the level of funding that can be provided in the long term. The level of bursary commitments is based on forecasts of future income and is monitored closely;
- Fraud, principally the misappropriation of cash or investments. Two signatures are required on all cash transactions over £500, schedules of commitments are cross-checked with Eton, and investment changes also require two signatures;
- Political action against private education. If this were sufficiently significant, Council would need to review uses for its funds consistent with the terms of the Trust Deed.

**Future plans**
The Council aims to continue the advancement of education and the furtherance of charitable objects connected with Eton College based on the returns achieved on the Charity's investments.

**Council members and employees**
Under the terms of the Trust Deed, the power of appointing new Members of the Council is vested in the existing Members of the Council. There are no employees of the Trust and Members of the Council receive no remuneration for their services.

Under the articles of association, the governing body of Eton College, which receives bursaries from The Old Etonian Trust, has the right to nominate two members of the Council. It has nominated Sir Nicholas Coleridge (who succeeded Lord Waldegrave) and Mr McKee, who are the Provost and Vice Provost of the governing body.

**Policies for the induction and training of Council members**

The Council members have been in post for a number of years and new Council members are appointed infrequently. When new members are appointed, they are provided with a copy of the Articles of Association and are briefed on the objectives of the trust and directed to the Charity Commission guidance to ensure they understood the roles and responsibilities of a trustee.

**War Memorial Bursary Fund**
The War Memorial Bursary Fund is used to provide bursaries to boys in general at Eton. Six bursaries were in operation during the year costing £150,993 *(2023: 8 costing £154,939)* with a total commitment at the year-end of £391,459 *(2023: £417,579)*. The value of the fund at the year-end was £5.9 million *(2023: £5.5 million)*.

**General Fund**
The General Fund is solely used to administer the Charity's investments and bank accounts.

**CJ Rowlatt Legacy Fund**

The CJ Rowlatt Legacy Fund provides for the improvement and upkeep of Luxmoore's Garden and other College gardens. In 2024 an amount of £1,700 was allocated from the fund towards the upkeep of Luxmoore's Garden *(2023: £1,700).* The value of the fund at the year-end was £29k *(2023: £28k)*.

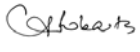
**HK Marsden Memorial Fund**
This fund has been built up from donations and provides travel grants to boys at Eton. Sixteen travel bursaries were awarded totalling £6,770 *(2023:29 costing £7,650).* The value of the fund at the year-end was £253k *(2023: £239k)*.

**Hornby Steer Legacy Fund**
This fund was created in 1994 with a legacy from William Hornby Steer amounting to £1.6 million. The fund was formed for the advancement of education and the furtherance of charitable objects connected with Eton College. The fund is currently being used to provide bursaries. Three bursaries were in operation during the year costing £76,377 *(2023: 4 costing £86,727)* with a total commitment at the year end of £137,701 *(2023: £194,771)*. The value of the fund at the year-end was £3.4 million *(2023: £3.1 million).*

**Henry VI Fund**
This fund was created in 2018 following the transfer from The Henry VI Charity of net assets totalling £6.2 million. The Henry VI Charity was established in 1973 as a general educational charity whose purposes include the provision of bursaries to schools outside the maintained sector. The Henry VI Fund continues to be used for the same purposes. Ten bursaries were in operation during the year costing £189,922 *(2023:8 costing £200,049)* with a total commitment at the year end of £673,604 *(2023: £611,438)*. The value of the fund at the year-end was £7.6 million *(2023: £7.2 million).*

In preparing this report, the Council has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Council



Charles Robarts (Jul 10, 2025, 8:02pm)

**C J Robarts** (*Secretary)* 1st July 2025

## The Old Etonian Trust
*(Limited by guarantee)*

## Statement of responsibilities of the Members of the Council
The Members of the Council (who are also directors of The Old Etonian Trust for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of the Council to prepare financial statements for each financial year. Under company law, the Members of the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Members of the Council are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# The Old Etonian Trust

*(Limited by guarantee)*

**Independent Auditors' Report to the members of The Old Etonian Trust**

**Opinion**

We have audited the financial statements of The Old Etonian Trust (the 'charitable company') for the year ended 31 December 2024 which comprises the Statement of Financial Activities, the balance sheet, 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance was performed, with no instances found;
- reviewing minutes of meeting of those charges with governance found no instance of irregularities or fraud;
- performing audit work over the risk of management override and controls, such as reviewing journal entries and reviewing investment valuation. This found no indication of irregularities or fraud.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Goldsmith FCA (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT
11 July 2025

# The Old Etonian Trust

*(Limited by guarantee)*

## Statement of Financial Activities (including summary income and expenditure account)

*for the year ended 31 December 2024*

| | Note | 2024 Restricted £ | 2024 Unrestricted £ | 2024 Total £ | 2023 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Donations received | | **-** | **-** | **-** | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | **227,419** | **183,528** | **410,947** | 373,446 |
| Interest receivable | | **2,383** | **1,923** | **4,306** | 3,642 |
| **Total income** | 5 | **229,802** | **185,451** | **415,253** | 378,101 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | **(162,946)** | **(395,475)** | **(558,421)** | (178,027) |
| Bursaries withdrawn | 10 | **20,847** | **152,505** | **173,352** | 190,055 |
| Unwinding of bursary discount | 10 | **(8,851)** | **(9,118)** | **(17,969)** | (23,079) |
| Grants to Eton | | **(1,700)** | **-** | **(1,700)** | (1,700) |
| Support costs: investment management fees | | **(14,423)** | **(11,640)** | **(26,063)** | (25,278) |
| Support costs: other | 4 | **(5,426)** | **(4,378)** | **(9,804)** | (9,405) |
| **Total expenditure** | | **(172,499)** | **(268,106)** | **(440,605)** | (47,434) |
| **Net income / (expenditure) before gains and losses on investments** | | **57,303** | **(82,655)** | **(25,352)** | 330,667 |
| Net gains on investments | 5 | **561,625** | **453,238** | **1,014,863** | 448,372 |
| **Net income for the year being net movement in funds** | | **618,928** | **370,583** | **989,511** | 779,039 |
| **Total Fund balances brought forward** | 11 | **8,946,552** | **7,220,400** | **16,166,952** | 15,387,913 |
| **Total Fund balances carried forward** | | **9,565,480** | **7,590,983** | **17,156,463** | 16,166,952 |

The income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 11 to 20 form part of these financial statements.

# The Old Etonian Trust

*(Limited by guarantee)*

## Balance sheet

*at 31 December 2024*

| | Note | **2024** | | 2023 | |
|---|---|---|---|---|---|
| | | **£** | **£** | £ | £ |
| **Fixed assets** | | | | | |
| Investments | 7 | | **18,140,502** | | 17,111,383 |
| **Current assets** | | | | | |
| Cash at bank | | **233,496** | | 294,008 | |
| **Creditors**: amounts falling due within one year | 9 | **(467,621)** | | (431,127) | |
| **Net current liabilities** | | | **(234,125)** | | (137,119) |
| **Total assets less current liabilities** | | | **17,906,377** | | 16,974,264 |
| **Creditors:** amounts falling due after more than one year | 9 | | **(749,914)** | | (807,312) |
| **Net assets** | | | **17,156,463** | | 16,166,952 |
| **Funds** | | | | | |
| Restricted | 5 | | **9,565,480** | | 8,946,552 |
| Unrestricted | 5 | | **7,590,983** | | 7,220,400 |
| | | | **17,156,463** | | 16,166,952 |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Council who approved the accounts on 1st July 2025.

Charles Robarts (Jul 10, 2025, 8:02pm)

**C J Robarts**

Secretary

(Company registration number 359518)

The notes on pages 11 to 20 form part of these Financial Statements.

## Notes *(forming part of the financial statements)*

**1** The Old Etonian Trust is a charitable company limited by guarantee. The individual liability of the company's ten members, comprising all the Council Members, is limited to £1. For Companies Act purposes the Council Members are directors of the company.

**2 ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

The Council considers there remains a risk that the value of investments together with investment income will continue to be volatile reflecting the current economic environment. The Charity continues to have significant cash holdings to provide immediate liquidity for funding future commitments. In addition, the investment assets are still very substantially larger than those commitments. The Trustees will continue to review the level of future commitments in the light of the ongoing impact on the investment portfolio and the expected income. As a result, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**(b) Income**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

**(c) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised

under the heading of "Total expenditure", which includes grants made, governance costs and an apportionment of support costs.

Grants and bursaries payable to third parties are within the charitable objectives. Bursaries and grants payable are charged to expenditure in the year in which they are awarded and notified to the recipient, on the basis that they constitute a constructive obligation to the Charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

**(d) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligator can be measured as estimated reliability. Creditors are recognised at their settlement amount. Long term creditors, being bursaries are discounted using the investment return to the charity as discount factor.

**(e) Investment Fixed Assets**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

Realised investment gains and losses are calculated as the difference between the market value at the date of sale and the original cost of the investment. Unrealised investment gains and losses are calculated as the difference between the market value at 31 December 2024 and the market value at 31 December 2023, or the value on date of purchase if later. Unrealised gains and losses are adjusted for any previously unrealised gains or losses that are realised during the year.

Investments are held in single overall 'unitised' holding within the General Fund, with each fund's holding of the investment portfolio included in its interfund account. The value in each fund is updated annually based on each fund's share of the overall value of investments portfolio.

**(f) Funds**

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide, whereas restricted funds represent funds given for a particular purpose.

All covenanted income and donations are applied to the accumulated fund via the capital account. Bursaries may continue to be paid in the future out of the income from the accumulated fund, without the need for further fund raising. These payments do not prejudice the Trustees' discretion to spend the accumulated fund for the objects of the Charity.

**(g) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (being their cost) with the exception of investments which are measured at market value. The historical cost of investments and the unrealised gain is disclosed in note 7.

## 3 EXPENSES

The charity made a contribution to the Secretary, who is a Member of the Council, of £500 (2023: £500) towards expenses incurred, as permitted by the Articles of Association. Members of the Council receive no remuneration for their services and have not been reimbursed for any expenses (2023: £nil).

## 4 SUPPORT COSTS: OTHER

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| Audit fees | **8,740** | 8,340 |
| Bank charges | **489** | 490 |
| Contribution to secretary expenses | **500** | 500 |
| Meeting room hire | **75** | 75 |
| | **9,804** | 9,405 |

## 5 STATEMENT OF FUNDS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2024 | **28,052** | **5,530,726** | **239,038** | **3,148,736** | **8,946,552** | **-** | **7,220,400** | **7,220,400** | **16,166,952** |
| Income | **706** | **142,058** | **6,146** | **80,892** | **229,802** | **-** | **185,451** | **185,451** | **415,253** |
| Expenditure | **(1,761)** | **(137,143)** | **(7,301)** | **(26,294)** | **(172,499)** | **-** | **(268,106)** | **(268,106)** | **(440,605)** |
| Investment gains / (losses) | **1,725** | **347,185** | **15,020** | **197,695** | **561,625** | **-** | **453,238** | **453,238** | **1,014,863** |
| Net assets at 31 December 2024 | **28,722** | **5,882,826** | **252,903** | **3,401,029** | **9,565,480** | **-** | **7,590,983** | **7,590,983** | **17,156,463** |

The purpose of each fund is described in the Council's report on page 3 to 5.

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2023 | 27,486 | 5,341,521 | 235,776 | 3,011,188 | 8,615,971 | - | 6,771,942 | 6,771,942 | 15,387,913 |
| Income | 1,604 | 129,015 | 5,203 | 72,514 | 208,336 | - | 169,765 | 169,765 | 378,101 |
| Expenditure | (1,755) | (93,198) | (8,129) | (21,188) | (124,270) | - | 76,836 | 76,836 | (47,434) |
| Investment gains / (losses) | 717 | 153,388 | 6,188 | 86,222 | 246,515 | - | 201,857 | 201,857 | 448,372 |
| Net assets at 31 December 2023 | 28,052 | 5,530,726 | 239,038 | 3,148,736 | 8,946,552 | - | 7,220,400 | 7,220,400 | 16,166,952 |

## 6 ANALYSIS OF NET ASSETS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2024** | | | | | | | | | |
| Investments | **-** | **-** | **-** | **-** | **-** | **18,140,502** | **-** | **18,140,502** | **18,140,502** |
| Current assets | **-** | **-** | **-** | **-** | **-** | **233,496** | **-** | **233,496** | **233,496** |
| Current liabilities | **-** | **(163,173)** | **(6,770)** | **(87,509)** | **(257,452)** | **(8,001)** | **(202,168)** | **(210,169)** | **(467,621)** |
| Interfund balances | **28,722** | **6,274,285** | **259,673** | **3,538,730** | **10,101,410** | **(18,365,997)** | **8,264,587** | **(10,101,410)** | **-** |
| Long term liabilities | **-** | **(228,286)** | **-** | **(50,192)** | **(278,478)** | **-** | **(471,436)** | **(471,436)** | **(749,914)** |
| Total net assets | **28,722** | **5,882,826** | **252,903** | **3,401,029** | **9,565,480** | **-** | **7,590,983** | **7,590,983** | **17,156,463** |

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2023** | | | | | | | | | |
| Investments | - | - | - | - | - | 17,111,383 | - | 17,111,383 | 17,111,383 |
| Current assets | - | - | - | - | - | 294,008 | - | 294,008 | 294,008 |
| Current liabilities | - | (152,123) | (7,650) | (76,064) | (235,837) | (7,001) | (188,289) | (195,290) | (431,127) |
| Interfund balances | 28,052 | 5,948,305 | 246,688 | 3,343,507 | 9,566,552 | (17,398,390) | 7,831,838 | (9,566,552) | - |
| Long term liabilities | - | (265,456) | - | (118,707) | (384,163) | - | (423,149) | (423,149) | (807,312) |
| Total net assets | 28,052 | 5,530,726 | 239,038 | 3,148,736 | 8,946,552 | - | 7,220,400 | 7,220,400 | 16,166,952 |

## 7 LISTED INVESTMENTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| UK Government Bonds (31/1/24) | - | 307,539 |
| UK Government Bonds (7/9/24) | - | 295,153 |
| UK Government Bonds (31/1/25) | **352,657** | - |
| AVI Global Trust (formerly British Empire Trust) | **1,886,500** | 1,694,000 |
| Ashoka India Equity Investment Trust | **1,348,500** | 1,092,285 |
| CC Japan Income & Growth Trust | **397,245** | 377,010 |
| CG Portfolio Fund | **1,097,846** | 1,101,845 |
| Caledonia Investments | **896,000** | 910,080 |
| Diverse Income Trust | **676,113** | 611,935 |
| Edinburgh Investment Trust | **1,477,659** | 1,360,479 |
| Evenlode Global Income F | **1,598,262** | 1,570,275 |
| Heronbridge | **1,641,068** | 1,712,055 |
| Law Debenture Corp | **1,409,154** | 1,263,978 |
| Miton Global Opportunties | **574,288** | 544,105 |
| Miton UK Microcap Trust | **251,350** | 262,350 |
| Personal Assets Trust | **1,871,205** | 1,780,845 |
| Rothschild Investment Trust | **1,457,923** | 1,381,576 |
| Schroder Asian Total Return | **925,428** | 453,200 |
| Veritas Finds Asian Sterling D | - | 392,673 |
| Cash | **279,304** | - |
| | **18,140,502** | 17,111,383 |
| Historical cost | **14,696,563** | 15,109,017 |

Cash was held temporarily following redemption of UK Government Bonds. It is being reinvested after the transfer of investment management to Cazenove Capital (see note 12).

The movements in listed investments may be summarised as follows:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Market value at 1 January | **17,111,383** | 16,373,201 |
| Sales during the year | **(979,806)** | (2,712,091) |
| Purchases during the year | **994,062** | 3,001,901 |
| Net gains/(losses) during the year | **1,014,863** | 448,372 |
| Market value at 31 December | **18,140,502** | 17,111,383 |

All investments are carried at their fair value

## 8. INVESTMENT INCOME

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| Dividends - equities | **410,947** | 373,446 |

## 9. CREDITORS

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| **Amounts falling due within one year** | | |
| Bursaries and grants awarded (note 10) | **459,620** | 424,126 |
| Audit fee | **8,000** | 7,000 |
| Amount due to The Henry VI Charity | **1** | 1 |
| | **467,621** | 431,127 |
| **Amounts falling due after more than one year** | | |
| Bursaries and grants awarded (note 10) | **749,914** | 807,312 |

## 10. BURSARIES AND GRANTS AWARDED – CURRENT YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2024 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | **147,501** | **6,770** | **16,997** | **414,077** | **585,345** |
| Bursaries withdrawn / reduced during the year | **(20,847)** | **-** | **-** | **(152,505)** | **(173,352)** |
| Discount of new bursaries | **(7,823)** | **-** | **(499)** | **(18,602)** | **(26,924)** |
| Net bursaries awarded during the year | **118,831** | **6,770** | **16,498** | **242,970** | **385,069** |
| Unwinding of discount | **6,042** | **-** | **2,809** | **9,118** | **17,969** |
| Bursaries paid during the year | **(150,993)** | **(7,650)** | **(76,377)** | **(189,922)** | **(424,942)** |
| Net increase / (decrease) during year in bursaries awarded but not paid | **(26,120)** | **(880)** | **(57,070)** | **62,166** | **(21,904)** |
| Bursaries awarded but not paid at 1 January | **417,579** | **7,650** | **194,771** | **611,438** | **1,231,438** |
| Bursaries awarded but not paid at 31 December | **391,459** | **6,770** | **137,701** | **673,604** | **1,209,534** |
| Bursaries due within one year | **163,173** | **6,770** | **87,509** | **202,168** | **459,620** |
| Bursaries due to be paid after more than one year | **228,286** | **-** | **50,192** | **471,436** | **749,914** |
| Total bursaries due | **391,459** | **6,770** | **137,701** | **673,604** | **1,209,534** |

Bursaries are awarded to individuals to support payment of education fees at schools outside the maintained sector. For the War Memorial Bursary Fund, one new bursary was awarded and none withdrawn (with some changes to existing bursaries) during the year. There are currently five bursaries in operation. For the Hornby Steer Fund, no new bursaries were awarded (with some changes to existing bursaries) and there are currently three bursaries in operation. For the H K Marsden Fund, 16 travel grants were awarded. For the Henry VI Fund, two bursaries were awarded (with some changes to existing bursaries) and three were withdrawn. There are currently seven bursaries in operation.

## 10. BURSARIES AND GRANTS AWARDED – PRIOR YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2023 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 152,418 | 7,650 | 10,824 | 4,683 | 175,575 |
| Bursaries withdrawn during the year | (74,426) | - | - | (115,629) | (190,055) |
| Discount of new bursaries | (4,041) | - | (215) | 6,708 | 2,452 |
| Net bursaries awarded during the year | 73,951 | 7,650 | 10,609 | (104,238) | (12,028) |
| Unwinding of discount | 7,381 | - | 3,909 | 11,789 | 23,079 |
| Bursaries paid during the year | (154,939) | - | (86,727) | (200,049) | (441,715) |
| Net increase / (decrease) during year in bursaries awarded but not paid | (73,607) | 7,650 | (72,209) | (292,498) | (430,664) |
| Bursaries awarded but not paid at 1 January | 491,186 | - | 266,980 | 903,936 | 1,662,102 |
| Bursaries awarded but not paid at 31 December | 417,579 | 7,650 | 194,771 | 611,438 | 1,231,438 |
| Bursaries due within one year | 152,123 | 7,650 | 76,064 | 188,289 | 424,126 |
| Bursaries due to be paid after more than one year | 265,456 | - | 118,707 | 423,149 | 807,312 |
| Total bursaries due | 417,579 | 7,650 | 194,771 | 611,438 | 1,231,438 |

## 11. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

| | *Note* | **2023 Restricted £** | **2023 Unrestricted £** | **2023 Total £** | 2022 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Donations received | | **1,013** | **-** | **1,013** | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | **205,321** | **168,125** | **373,446** | 368,883 |
| Interest receivable | | **2,002** | **1,640** | **3,642** | 1,327 |
| **Total income** | 5 | **208,336** | **169,765** | **378,101** | 371,223 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | **(166,636)** | **(11,391)** | **(178,027)** | (694,445) |
| Unwinding of bursary discount | 10 | **74,426** | **115,629** | **190,055** | 72,191 |
| Grants to Eton | | **(11,290)** | **(11,789)** | **(23,079)** | (22,079) |
| Support costs: investment management fees | | **(1,700)** | **-** | **(1,700)** | (1,700) |
| Support costs: other | 4 | **(13,898)** | **(11,380)** | **(25,278)** | (26,712) |
| **Total expenditure** | | **(5,172)** | **(4,233)** | **(9,405)** | (7,253) |
| **Net (expenditure) / income before gains and losses on investments** | | **(124,270)** | **76,836** | **(47,434)** | (679,998) |
| Net gains / (losses) on investments | 5 | **84,066** | **246,601** | **330,667** | (308,775) |
| **Net (expenditure) / income for the year being net movement in funds** | | **246,515** | **201,857** | **448,372** | (1,873,766) |
| **Total Fund balances brought forward** | 11 | **330,581** | **448,458** | **779,039** | (2,182,541) |
| **Total Fund balances carried forward** | | **8,615,971** | **6,771,942** | **15,387,913** | 17,570,454 |

## 12. RELATED PARTY TRANSACTIONS

The Charity's investments are administered by Evelyn Partners (formerly Smith & Williamson), which charged custody fees of £26,063 (*2023: £*25,278) that are included in the Statement of Financial Activities. A Trustee, Mr PAD Inkin, is a partner of Evelyn Partners. Since the year end, Cazenove Capital has been appointed as investment managers.

In addition, the Charity had net awards of student bursaries and grants during the year of £407,700 (*2023: net withdrawals of £16,561*) payable to Eton College. The balance payable to Eton College at the year end was £1,140,909 (*2023: £1,146,973*). The Trustees Sir Nicholas Coleridge (who succeeded Lord Waldegrave) and Mr Peter McKee are Provost and Vice-Provost of Eton College.

Other than those noted above and in note 3, no other related party transactions took place in the year ended 31 December 2024.

**OLD ETONIAN TRUST(THE)**

England & Wales - Charity number 1151597

# Accounts

# The Old Etonian Trust

*(Limited by guarantee)*

# Council's Report and Financial Statements

**For the year ended 31 December 2023**

Registered Company Number 359518

Registered Charity Number 1151597

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's report and financial statements

## Contents


| | *Page* |
|---|---|
| Members of the Council | 2 |
| List of Advisers | 2 |
| Council's report | 3 - 5 |
| Statement of responsibilities of the Members of the Council | 6 |
| Independent auditors' report | 7 - 8 |
| Statement of Financial Activities | 9 |
| Balance sheet | 10 |
| Notes | 11 - 20 |

## The Old Etonian Trust

*(Limited by guarantee)*

## Trustees ("members of the Council")

| | |
|---|---|
| AGR Windham CVO | (Chairman) |
| Lord Bridges KCVO | |
| PAD Inkin | |
| RB Landman | |
| RDO Macleay | |
| PJ McKee | |
| CJ Robarts | (Secretary) |
| Lord Suffield | |
| Lord Waldegrave of North Hill | |

## Principal address

The Old Vicarage
Great Hormead
Buntingford
Hertfordshire
SG9 0NT

## List of advisers

| | |
|---|---|
| **Bankers** | Coutts & Co<br>440 Strand<br>London<br>WC2R 0QS |
| **Solicitors** | Farrer & Co LLP<br>66 Lincoln's Inn Fields<br>London<br>WC2A 3LH |
| **Statutory auditors** | Price Bailey LLP<br>Causeway House<br>1 Dane Street<br>Bishop's Stortford<br>Hertfordshire<br>CM23 3BT |

# The Old Etonian Trust
*(Limited by guarantee)*

## Council's report

### Constitution
The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association, which were updated during 2018 to reflect an update the objects. The objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund.

The Members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting policy for the year.

The day-to-day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries. The Charity does not carry out any significant fundraising activities and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of any fundraising activities.

### Fund accounting
Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Reserves policy
The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year together with an element of capital growth, with the balance of capital growth retained in the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £16.2 million at 31 December 2023 of which £7.2 million were unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims to maintain cash balances to cover at least one year of forward bursary commitments.

### Investment policy
The Investment Committee meets three times during each year to provide advice and guidance to the Council on investment policy. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least quarterly valuations.

The Council's policy is to maximise the return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investment objective is to achieve a balance between capital growth and a steady, growing level of income from a multi asset portfolio, predominantly investing in equities and bonds.

The aim of the portfolio is to generate sustainable income, growing at least in line with school fees inflation, as far as possible. The Council aims for annual expenditure that is based on investment income consistent with the yield on the MSCI World index together with an allowance for capital growth. Investments are in authorised funds giving a wide spread of securities managed by highly reputable financial institutions.

The Charity holds £0.3 million in cash, together with £0.6 million in short-dated bonds, which is expected to enable it to maintain the current level of bursaries over the next few years.

During 2023, there have been net gains on investments of £0.4 million (*2022: loss £1.9 million*), which is an increase of 3% reflecting an increase in stock market values during 2023. The total return on the investment portfolio was a net gain 5% (*2022: net loss 8%*). The Investment Committee monitors performance of the portfolio compared to benchmark indices.

**Grant making**
The Council agrees the maximum amount of funds available for bursary awards each year. Applications for Eton bursaries are considered by the Bursary Committee at Eton. Awards are assessed on grounds of financial need and the perceived quality of the applicant and are reviewed regularly, being liable to withdrawal should circumstances change. Awards are approved by the Chairman and the Secretary. Awards are paid directly to the school. Travel bursaries are considered by a separate committee at Eton and are subsequently approved by the Chairman and the Secretary while other specific grants are decided by the Council.

**Risk assessment**
The Council has reviewed the major risks associated with the Charity and is satisfied that systems are in place to mitigate those risks. It has identified the following key risks:

- Misuse of the trust funds by recipients. The Council seeks to limit exposure through funding policies, the Charity does not provide funding to educational institutes based outside the UK and does not make payments direct to an individual;
- A decline in investment performance resulting in income being insufficient to meet demand for bursaries or to meet existing commitments. The Council seeks to mitigate this by investing in a spread of authorised funds giving a spread of securities, with performance being monitored on a regular basis;
- Significant school fee inflation could limit the Charity's ability to meet demand. The Charity could use capital to meet higher demand but this will impact the level of funding that can be provided in the long term. The level of bursary commitments is based on forecasts of future income and is monitored closely;
- Fraud, principally the misappropriation of cash or investments. Two signatures are required on all cash transactions over £500, schedules of commitments are cross-checked with Eton, and investment changes also require two signatures;
- Political action against private education. If this were sufficiently significant, Council would need to review uses for its funds consistent with the terms of the Trust Deed.

**Future plans**
The Council aims to continue the advancement of education and the furtherance of charitable objects connected with Eton College based on the returns achieved on the Charity's investments.

**Council members and employees**
Under the terms of the Trust Deed, the power of appointing new Members of the Council is vested in the existing Members of the Council. There are no employees of the Trust and Members of the Council receive no remuneration for their services.

Under the articles of association, the governing body of Eton College, which receives bursaries from The Old Etonian Trust, has the right to nominate two members of the Council. It has nominated Lord Waldegrave and Mr McKee, who are the Provost and Vice Provost of the governing body.

**Policies for the induction and training of Council members**

The Council members have been in post for a number of years and new Council members are appointed infrequently. When new members are appointed, they are provided with a copy of the Articles of Association and are briefed on the objectives of the trust and directed to the Charity Commission guidance to ensure they understood the roles and responsibilities of a trustee.

**War Memorial Bursary Fund**
The War Memorial Bursary Fund is used to provide bursaries to boys in general at Eton. Eight bursaries were in operation during the year costing £154,939 *(2022: 6 costing £162,703)* with a total commitment at the year-end of £417,579 *(2022: £491,186)*. The value of the fund at the year-end was £5.5 million *(2022: £5.3 million)*.

**General Fund**
The General Fund is solely used to administer the Charity's investments and bank accounts.

**CJ Rowlatt Legacy Fund**

The CJ Rowlatt Legacy Fund provides for the improvement and upkeep of Luxmoore's Garden and other College gardens. In 2023 an amount of £1,700 was allocated from the fund, which includes a donation of £1,000 from the Swire Charitable Trust, towards the upkeep of Luxmoore's Garden *(2022: £1,700).* The value of the fund at the year-end was £28k *(2022: £27k)*.

**HK Marsden Memorial Fund**
This fund has been built up from donations and provides travel grants to boys at Eton. Twenty nine travel bursaries were awarded totalling £7,650 *(2022:23 costing £8,100, 3 cancelled £920).* The value of the fund at the year-end was £239k *(2022: £236k)*.

**Hornby Steer Legacy Fund**
This fund was created in 1994 with a legacy from William Hornby Steer amounting to £1.6 million. The fund was formed for the advancement of education and the furtherance of charitable objects connected with Eton College. The fund is currently being used to provide bursaries. Four bursaries were in operation during the year costing £86,727 *(2022: 5 costing £105,825)* with a total commitment at the year end of £194,771 *(2022: £266,980)*. The value of the fund at the year-end was £3.1 million *(2022: £3.0 million).*

**Henry VI Fund**
This fund was created in 2018 following the transfer from The Henry VI Charity of net assets totalling £6.2 million. The Henry VI Charity was established in 1973 as a general educational charity whose purposes include the provision of bursaries to schools outside the maintained sector. The Henry VI Fund continues to be used for the same purposes. Eight bursaries were in operation during the year costing £200,049 *(2022:9 costing £195,533)* with a total commitment at the year end of £611,438 *(2022: £903,936)*. The value of the fund at the year-end was £7.2 million *(2022: £6.8 million).*

In preparing this report, the Council has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Council



Charles Robarts (Jun 24, 2024, 5:58pm)

**C J Robarts** (*Secretary*) 24th June 2024

## The Old Etonian Trust
*(Limited by guarantee)*

## Statement of responsibilities of the Members of the Council

The Members of the Council (who are also directors of The Old Etonian Trust for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of the Council to prepare financial statements for each financial year. Under company law, the Members of the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Members of the Council are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# The Old Etonian Trust

*(Limited by guarantee)*

**Independent Auditors' Report to the members of The Old Etonian Trust**

**Opinion**

We have audited the financial statements of The Old Etonian Trust (the 'charitable company') for the year ended 31 December 2023 which comprises the Statement of Financial Activities, the balance sheet, 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance was performed, with no instances found;
- reviewing minutes of meeting of those charges with governance found no instance of irregularities or fraud;
- performing audit work over the risk of management override and controls, such as reviewing journal entries and reviewing investment valuation. This found no indication of irregularities or fraud.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Suzanne Goldsmith (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire,
CM23 3BT
25 June 2024

## The Old Etonian Trust

*(Limited by guarantee)*

## Statement of Financial Activities (including summary income and expenditure account)

*for the year ended 31 December 2023*

| | Note | 2023 Restricted £ | 2023 Unrestricted £ | 2023 Total £ | 2022 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Donations received | | **1,013** | **-** | **1,013** | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | **205,321** | **168,125** | **373,446** | 368,883 |
| Interest receivable | | **2,002** | **1,640** | **3,642** | 1,327 |
| **Total income** | 5 | **208,336** | **169,765** | **378,101** | 371,223 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | **(166,636)** | **(11,391)** | **(178,027)** | (694,445) |
| …Bursaries withdrawn | 10 | **74,426** | **115,629** | **190,055** | 72,191 |
| Unwinding of bursary discount | 10 | **(11,290)** | **(11,789)** | **(23,079)** | (22,079) |
| Grants to Eton | | **(1,700)** | **-** | **(1,700)** | (1,700) |
| Support costs: investment management fees | | **(13,898)** | **(11,380)** | **(25,278)** | (26,712) |
| Support costs: other | 4 | **(5,172)** | **(4,233)** | **(9,405)** | (7,253) |
| **Total expenditure** | | **(124,270)** | **76,836** | **(47,434)** | (679,998) |
| **Net income / (expenditure) before gains and losses on investments** | | **84,066** | **246,601** | **330,667** | (308,775) |
| Net gains / (losses) on investments | 5 | **246,515** | **201,857** | **448,372** | (1,873,766) |
| **Net (expenditure) / income for the year being net movement in funds** | | **330,581** | **448,458** | **779,039** | (2,182,541) |
| **Total Fund balances brought forward** | 11 | **8,615,971** | **6,771,942** | **15,387,913** | 17,570,454 |
| **Total Fund balances carried forward** | | **8,946,552** | **7,220,400** | **16,166,952** | 15,387,913 |

The income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 11 to 20 form part of these financial statements.

| | Note | **2023** | | 2022 | |
|---|---|---|---|---|---|
| | | **£** | **£** | £ | £ |
| **Fixed assets** | | | | | |
| Investments at market value | 7 | | **17,111,383** | | 16,373,201 |
| **Current assets** | | | | | |
| Cash at bank | | **294,008** | | 682,515 | |
| **Creditors**: amounts falling due within one year | 9 | **(431,127)** | | (451,184) | |
| **Net current assets** | | | **(137,119)** | | 231,331 |
| **Total assets less current liabilities** | | | **16,974,264** | | 16,604,532 |
| **Creditors:** amounts falling due after more than one year | 9 | | **(807,312)** | | (1,216,619) |
| **Net assets** | | | **16,166,952** | | 15,387,913 |
| **Funds** | | | | | |
| Restricted | 5 | | **8,946,552** | | 8,615,971 |
| Unrestricted | 5 | | **7,220,400** | | 6,771,942 |
| | | | **16,166,952** | | 15,387,913 |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Council who approved the accounts on 24th June 2024.

Charles Robarts (Jun 24, 2024, 5:58pm)

**C J Robarts**

Secretary

(Company registration number 359518)

The notes on pages 11 to 20 form part of these Financial Statements.

## Notes *(forming part of the financial statements)*

**1** The Old Etonian Trust is a charitable company limited by guarantee. The individual liability of the company's ten members, comprising all the Council Members, is limited to £1. For Companies Act purposes the Council Members are directors of the company.

**2 ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

The Council considers there remains a risk that the value of investments together with investment income will continue to be volatile reflecting the current economic environment. The Charity continues to have significant cash holdings to provide immediate liquidity for funding future commitments. In addition, the investment assets are still very substantially larger than those commitments. The Trustees will continue to review the level of future commitments in the light of the ongoing impact on the investment portfolio and the expected income. As a result, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**(b) Income**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

**(c) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised

under the heading of "Total expenditure", which includes grants made, governance costs and an apportionment of support costs.

Grants and bursaries payable to third parties are within the charitable objectives. Bursaries and grants payable are charged to expenditure in the year in which they are awarded and notified to the recipient, on the basis that they constitute a constructive obligation to the Charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

**(d) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligator can be measured as estimated reliability. Creditors are recognised at their settlement amount. Long term creditors, being bursaries are discounted using the investment return to the charity as discount factor.

**(e) Investment Fixed Assets**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

Realised investment gains and losses are calculated as the difference between the market value at the date of sale and the original cost of the investment. Unrealised investment gains and losses are calculated as the difference between the market value at 31 December 2023 and the market value at 31 December 2022, or the value on date of purchase if later. Unrealised gains and losses are adjusted for any previously unrealised gains or losses that are realised during the year.

Investments are held in single overall 'unitised' holding within the General Fund, with each fund's holding of the investment portfolio included in its interfund account. The value in each fund is updated annually based on each fund's share of the overall value of investments portfolio.

**(f) Funds**

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide, whereas restricted funds represent funds given for a particular purpose.

All covenanted income and donations are applied to the accumulated fund via the capital account. Bursaries may continue to be paid in the future out of the income from the accumulated fund, without the need for further fund raising. These payments do not prejudice the Trustees' discretion to spend the accumulated fund for the objects of the Charity.

**(g) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (being their cost) with the exception of investments which are measured at market value. The historical cost of investments and the unrealised gain is disclosed in note 7.

## 3 EXPENSES

The charity made a contribution to the Secretary, who is a Member of the Council, of £500 (2022: £500) towards expenses incurred, as permitted by the Articles of Association. Members of the Council receive no remuneration for their services and have not been reimbursed for any expenses (2022: £nil).

## 4 SUPPORT COSTS: OTHER

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Audit fees | **8,340** | 6,310 |
| Bank charges | **490** | 368 |
| Contribution to secretary expenses | **500** | 500 |
| Meeting room hire | **75** | 75 |
| | **9,405** | 7,253 |

## 5 STATEMENT OF FUNDS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2023 | **27,486** | **5,341,521** | **235,776** | **3,011,188** | **8,615,971** | **-** | **6,771,942** | **6,771,942** | **15,387,913** |
| Income | **1,604** | **129,015** | **5,203** | **72,514** | **208,336** | **-** | **169,765** | **169,765** | **378,101** |
| Expenditure | **(1,755)** | **(93,198)** | **(8,129)** | **(21,188)** | **(124,270)** | **-** | **76,836** | **76,836** | **(47,434)** |
| Investment gains / (losses) | **717** | **153,388** | **6,188** | **86,222** | **246,515** | **-** | **201,857** | **201,857** | **448,372** |
| Net assets at 31 December 2023 | **28,052** | **5,530,726** | **239,038** | **3,148,736** | **8,946,552** | **-** | **7,220,400** | **7,220,400** | **16,166,952** |

The purpose of each fund is described in the Council's report on page 3 to 5.

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2022 | 30,647 | 5,853,296 | 264,328 | 3,400,280 | 9,548,551 | - | 8,021,903 | 8,021,903 | 17,570,454 |
| Income | 1,592 | 126,699 | 5,145 | 71,487 | 204,923 | - | 166,300 | 166,300 | 371,223 |
| Expenditure | (1,755) | 2,729 | (7,652) | (98,755) | (105,433) | - | (574,565) | (574,565) | (679,998) |
| Investment gains / (losses) | (2,998) | (641,203) | (26,045) | (361,824) | (1,032,070) | - | (841,696) | (841,696) | (1,873,766) |
| Net assets at 31 December 2022 | 27,486 | 5,341,521 | 235,776 | 3,011,188 | 8,615,971 | - | 6,771,942 | 6,771,942 | 15,387,913 |

## 6 ANALYSIS OF NET ASSETS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2023** | | | | | | | | | |
| Investments | **-** | **-** | **-** | **-** | **-** | **17,111,383** | **-** | **17,111,383** | **17,111,383** |
| Current assets | **-** | **-** | **-** | **-** | **-** | **294,008** | **-** | **294,008** | **294,008** |
| Current liabilities | **-** | **(152,123)** | **(7,650)** | **(76,064)** | **(235,837)** | **(7,001)** | **(188,289)** | **(195,290)** | **(431,127)** |
| Interfund balances | **28,052** | **5,948,305** | **246,688** | **3,343,507** | **9,566,552** | **(17,398,390)** | **7,831,838** | **(9,566,552)** | **-** |
| Long term liabilities | **-** | **(265,456)** | **-** | **(118,707)** | **(384,163)** | **-** | **(423,149)** | **(423,149)** | **(807,312)** |
| Total net assets | **28,052** | **5,530,726** | **239,038** | **3,148,736** | **8,946,552** | **-** | **7,220,400** | **7,220,400** | **16,166,952** |

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2022** | | | | | | | | | |
| Investments | - | - | - | - | - | 16,373,201 | - | 16,373,201 | 16,373,201 |
| Current assets | - | - | - | - | - | 682,515 | - | 682,515 | 682,515 |
| Current liabilities | - | (152,856) | - | (85,686) | (238,542) | (5,701) | (206,941) | (212,642) | (451,184) |
| Interfund balances | 27,486 | 5,832,707 | 235,776 | 3,278,168 | 9,374,137 | (17,050,015) | 7,675,878 | (9,374,137) | - |
| Long term liabilities | - | (338,330) | - | (181,294) | (519,624) | - | (696,995) | (696,995) | (1,216,619) |
| Total net assets | 27,486 | 5,341,521 | 235,776 | 3,011,188 | 8,615,971 | - | 6,771,942 | 6,771,942 | 15,387,913 |

## 7 LISTED INVESTMENTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| UK Government Bonds (31/1/24) | **307,539** | - |
| UK Government Bonds (7/9/24) | **295,153** | - |
| AVI Global Trust (formerly British Empire Trust) | **1,694,000** | 996,975 |
| Ashoka India Equity Investment Trust | **1,092,285** | 615,360 |
| CC Japan Income & Growth Trust | **377,010** | - |
| CG Portfolio Fund | **1,101,845** | 1,105,109 |
| Caledonia Investments | **910,080** | 924,160 |
| Diverse Income Trust | **611,935** | 442,508 |
| Edinburgh Investment Trust | **1,360,479** | 1,263,160 |
| Evenlode Global Income F | **1,570,275** | 1,004,570 |
| Fundsmith LLP Equity T Inc NAV | **-** | 1,064,499 |
| Heronbridge | **1,712,055** | 1,875,463 |
| Law Debenture Corp | **1,263,978** | 978,399 |
| Miton Global Opportunties | **544,105** | 542,474 |
| Miton UK Microcap Trust | **262,350** | 350,350 |
| Personal Assets Trust | **1,780,845** | 1,797,787 |
| Rothschild Investment Trust | **1,381,576** | 1,559,963 |
| Sarasin Endowments | **-** | 989,165 |
| Schroder Asian Total Return | **453,200** | 421,785 |
| Veritas Finds Asian Sterling D | **392,673** | 441,474 |
| | **17,111,383** | 16,373,201 |
| Historical cost | **15,109,017** | 12,744,777 |

The movements in listed investments may be summarised as follows:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Market value at 1 January | **16,373,201** | 18,246,975 |
| Sales during the year | **(2,712,091)** | (8) |
| Purchases during the year | **3,001,901** | - |
| Net gains/(losses) during the year | **448,372** | (1,873,766) |
| Market value at 31 December | **17,111,383** | 16,373,201 |

All investments are carried at their fair value

## 8. INVESTMENT INCOME

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Dividends - equities | **373,446** | 368,883 |

## 9. CREDITORS

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| **Amounts falling due within one year** | | |
| Bursaries and grants awarded (note 10) | **424,126** | 445,483 |
| Audit fee | **7,000** | 5,700 |
| Amount due to The Henry VI Charity | **1** | 1 |
| | **431,127** | 451,184 |
| **Amounts falling due after more than one year** | | |
| Bursaries and grants awarded (note 10) | **807,312** | 1,216,619 |

## 10. BURSARIES AND GRANTS AWARDED – CURRENT YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2023 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | **152,418** | **7,650** | **10,824** | **4,683** | **175,575** |
| Bursaries withdrawn / reduced during the year | **(74,426)** | **-** | **-** | **(115,629)** | **(190,055)** |
| Discount of new bursaries | **(4,041)** | **-** | **(215)** | **6,708** | **2,452** |
| Net bursaries awarded during the year | **73,951** | **7,650** | **10,609** | **(104,238)** | **(12,028)** |
| Unwinding of discount | **7,381** | **-** | **3,909** | **11,789** | **23,079** |
| Bursaries paid during the year | **(154,939)** | | **(86,727)** | **(200,049)** | **(441,715)** |
| Net increase / (decrease) during year in bursaries awarded but not paid | **(73,607)** | **7,650** | **(72,209)** | **(292,498)** | **(430,664)** |
| Bursaries awarded but not paid at 1 January | **491,186** | **-** | **266,980** | **903,936** | **1,662,102** |
| Bursaries awarded but not paid at 31 December | **417,579** | **7,650** | **194,771** | **611,438** | **1,231,438** |
| Bursaries due within one year | **152,123** | **7,650** | **76,064** | **188,289** | **424,126** |
| Bursaries due to be paid after more than one year | **265,456** | **-** | **118,707** | **423,149** | **807,312** |
| Total bursaries due | **417,579** | **7,650** | **194,771** | **611,438** | **1,231,438** |

Bursaries are awarded to individuals to support payment of education fees at schools outside the maintained sector. For the War Memorial Bursary Fund, one new bursary was awarded and one withdrawn (with some changes to existing bursaries) during the year and there are currently six bursaries in operation. For the Hornby Steer Fund, no new bursaries were awarded (with some changes to existing bursaries) and there are currently three bursaries in operation. For the H K Marsden Fund, 29 travel grants were awarded. For the Henry VI Fund, one bursary was awarded (with some changes to existing bursaries) and there are currently eight bursaries in operation.

## 10. BURSARIES AND GRANTS AWARDED – PRIOR YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2022 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 4,431 | 8,100 | 90,921 | 622,551 | 726,003 |
| Bursaries withdrawn during the year | (29,874) | (920) | - | (41,397) | (72,191) |
| Discount of new bursaries | 613 | - | (2,568) | (29,603) | (31,558) |
| Net bursaries awarded during the year | (24,830) | 7,180 | 88,353 | 551,551 | 622,254 |
| Unwinding of discount | 10,478 | - | 3,843 | 7,758 | 22,079 |
| Bursaries paid during the year | (162,703) | (7,450) | (105,825) | (195,533) | (471,511) |
| Net increase / (decrease) during year in bursaries awarded but not paid | (177,055) | (270) | (13,629) | 363,776 | 172,822 |
| Bursaries awarded but not paid at 1 January | 668,241 | 270 | 280,609 | 540,160 | 1,489,280 |
| Bursaries awarded but not paid at 31 December | 491,186 | - | 266,980 | 903,936 | 1,662,102 |
| Bursaries due within one year | 152,856 | - | 85,686 | 206,941 | 445,483 |
| Bursaries due to be paid after more than one year | 338,330 | - | 181,294 | 696,995 | 1,216,619 |
| Total bursaries due | 491,186 | - | 266,980 | 903,936 | 1,662,102 |

## 11. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

| | *Note* | **2022 Restricted £** | **2022 Unrestricted £** | **2022 Total £** | 2021 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | **-** | **-** | **-** | - |
| Donations received | | **1,013** | **-** | **1,013** | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | **203,180** | **165,703** | **368,883** | 330,484 |
| Interest receivable | | **730** | **597** | **1,327** | 24 |
| **Total income** | 5 | **204,923** | **166,300** | **371,223** | 331,521 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | **(70,703)** | **(551,551)** | **(622,254)** | (67,503) |
| Unwinding of bursary discount | 10 | **(14,321)** | **(7,758)** | **(22,079)** | (34,523) |
| Grants to Eton | | **(1,700)** | **-** | **(1,700)** | (1,700) |
| Support costs: investment management fees | | **(14,713)** | **(11,999)** | **(26,712)** | (23,573) |
| Support costs: other | 4 | **(3,996)** | **(3,257)** | **(7,253)** | (7,088) |
| **Total expenditure** | | **(105,433)** | **(574,565)** | **(679,998)** | (134,387) |
| **Net (expenditure) / income before gains and losses on investments** | | **99,490** | **(408,265)** | **(308,775)** | 197,134 |
| Net gains / (losses) on investments | 5 | **(1,032,070)** | **(841,696)** | **(1,873,766)** | 2,772,518 |
| **Net (expenditure) / income for the year being net movement in funds** | | **(932,580)** | **(1,249,961)** | **(2,182,541)** | 2,969,652 |
| **Total Fund balances brought forward** | 11 | **9,548,551** | **8,021,903** | **17,570,454** | 14,600,802 |
| **Total Fund balances carried forward** | | **8,615,971** | **6,771,942** | **15,387,913** | 17,570,454 |

## 12. RELATED PARTY TRANSACTIONS

The Charity's investments are administered by Evelyn Partners (formerly Smith & Williamson), which charged custody fees of £25,278 (*2022: £26,712*) that are included in the Statement of Financial Activities. A Trustee, Mr PAD Inkin, is a partner of Evelyn Partners.

In addition, the Charity had net withdrawals of student bursaries during the year of £16,561 (*2022: net awards of £646,033*) payable to Eton College. The balance payable to Eton College at the year end was £1,146,973 (*2022: £1,571,948*). The Trustees Lord Waldegrave of North Hill and Mr Peter McKee are Provost and Vice-Provost of Eton College.

Other than those noted above and in note 3, no other related party transactions took place in the year ended 31 December 2023.

**OLD ETONIAN TRUST(THE)**

England & Wales - Charity number 1151597

# Accounts

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's Report and Financial Statements

**For the year ended 31 December 2022**

Registered Company Number 359518

Registered Charity Number 1151597

**The Old Etonian Trust**
*(Limited by guarantee)*

## Council's report and financial statements

## Contents


| | *Page* |
|---|---|
| Members of the Council | 2 |
| List of Advisers | 2 |
| Council's report | 3 - 6 |
| Statement of responsibilities of the Members of the Council | 7 |
| Independent auditors' report | 8 |
| Statement of Financial Activities | 10 |
| Balance sheet | 11 |
| Statement of cash flows | 12 |
| Notes | 13 - 22 |

## The Old Etonian Trust

*(Limited by guarantee)*

## Trustees ("members of the Council")

| | |
|---|---|
| AGR Windham CVO | (Chairman) |
| Lord Bridges KCVO | |
| PAD Inkin | |
| RB Landman | |
| RDO Macleay | |
| PJ McKee | |
| CJ Robarts | (Secretary) |
| Lord Suffield | |
| Lord Waldegrave of North Hill | |

## Principal address

The Old Vicarage
Great Hormead
Buntingford
Hertfordshire
SG9 0NT

## List of advisers

| | |
|---|---|
| **Bankers** | Coutts & Co<br>440 Strand<br>London<br>WC2R 0QS |
| **Solicitors** | Farrer & Co LLP<br>66 Lincoln's Inn Fields<br>London<br>WC2A 3LH |
| **Statutory auditors** | Price Bailey LLP<br>Causeway House<br>1 Dane Street<br>Bishop's Stortford<br>Hertfordshire<br>CM23 3BT |

# Council's report

## Constitution

The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association, which were updated during 2018 to reflect an update the objects. The principal objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund.

During 2018, the assets and liabilities of The Henry VI Charity, which totalled £6.2 million, were transferred to The Old Etonian Trust. A separate unrestricted fund, the Henry VI fund, has been created and is used for the provision of bursaries to support education outside the maintained sector. This also resulted in the Hornby Steer Fund being classified as restricted. These trusts are reported on below.

The Members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting policy for the year.

The day-to-day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries. The Charity does not carry out any significant fundraising activities and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of any fundraising activities.

## Fund accounting

Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Reserves policy

The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year together with an element of capital growth, with the balance of capital growth retained in the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £15.4 million at 31 December 2022 of which £6.8 million were unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims to maintain cash balances to cover at least one year of forward bursary commitments.

## Investment policy

The Investment Committee meets three times during each year to provide advice and guidance to the Council on investment policy. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least quarterly valuations.

The Council's policy is to maximise the return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investment objective is to achieve a balance between capital growth and a steady, growing level of income from a multi asset portfolio, predominantly investing in equities and bonds.

The aim of the portfolio is to generate sustainable income, growing at least in line with school fees inflation, as far as possible. The Council aims for annual expenditure that is based on investment income consistent with the MSCI World index together with an allowance for capital growth. Investments are in authorised funds giving a wide spread of securities managed by highly reputable financial institutions.

The Charity continues to hold £0.7 million in cash, which is expected to enable it to maintain the current level of bursaries over the next few years.

During 2022, there have been net losses on investments of £1.9 million (*2021: net gain £2.8 million*), which is a decrease of 10% reflecting an increase in stock market values during 2022. The total return on the investment portfolio was a net loss 8% (*2021: net gain 20%*). The Investment Committee monitors performance of the portfolio compared to benchmark indices. The MSCI All Country World Index fell by 10% during 2022.

**Grant making**

The Council agrees the maximum amount of funds available for bursary awards each year. Applications for bursaries are considered by the Bursary Committee at Eton. Awards are assessed on grounds of financial need and the perceived quality of the applicant and are reviewed regularly, being liable to withdrawal should circumstances change. Awards are approved by the Chairman and the Secretary. Awards are paid directly to the school. Travel bursaries are considered by a separate committee at Eton and are subsequently approved by the Chairman and the Secretary while other specific grants are decided by the Council.

**Risk assessment**

The Council has reviewed the major risks associated with the Charity and is satisfied that systems are in place to mitigate those risks. It has identified the following key risks:

- Misuse of the trust funds by recipients. The Council seeks to limit exposure through funding policies, the Charity does not provide funding to educational institutes based outside the UK and does not make payments direct to an individual;
- A decline in investment performance resulting in income being insufficient to meet demand for bursaries or to meet existing commitments. The Council seeks to mitigate this by investing in a spread of authorised funds giving a spread of securities, with performance being monitored on a regular basis;
- Significant school fee inflation could limit the Charity's ability to meet demand. The Charity could use capital to meet higher demand but this will impact the level of funding that can be provided in the long term. The level of bursary commitments is based on forecasts of future income and is monitored closely;
- Fraud, principally the misappropriation of cash or investments. Two signatures are required on all cash transactions over £500, schedules of commitments are cross-checked with Eton, and investment changes also require two signatures;
- Political action against private education. If this were sufficiently significant, Council would need to review uses for its funds consistent with the terms of the Trust Deed.

**Future plans**

The Council aims to continue the advancement of education and the furtherance of charitable objects connected with Eton College based on the returns achieved on the Charity's investments.

**Council members and employees**

Under the terms of the Trust Deed, the power of appointing new Members of the Council is vested in the existing Members of the Council. There are no employees of the Trust and Members of the Council receive no remuneration for their services.

Under the articles of association, the governing body of Eton College, which receives bursaries from The Old Etonian Trust, has the right to nominate two members of the Council. It has nominated Lord Waldegrave and Mr McKee, who are the Provost and Vice Provost of the governing body.

**Policies for the induction and training of Council members**

The Council members have been in post for a number of years and new Council members are appointed infrequently. When new members are appointed, they are provided with a copy of the Articles of Association and are briefed on the aims and objectives of the trust and directed to the Charity Commission guidance to ensure they understood the roles and responsibilities of a trustee.

**War Memorial Bursary Fund**

The War Memorial Bursary Fund has awarded bursaries to the sons or grandsons of Old Etonians whose parents would not otherwise be able to afford the Eton fees. During the process for registration as a charity, The Charity Commission required this restriction to be removed as it considered it did not represent a public class. The fund is now used to provide bursaries to boys in general at Eton. Six bursaries were in operation during the year costing £162,703 *(2021: 9 costing £142,851)* with a total commitment at the year-end of £491,186 *(2021: £724,244)*. The value of the fund at the year-end was £5.3 million *(2021: £5.9 million)*.

**General Fund**

The General Fund is solely used to administer the Charity's investments and bank accounts.

**CJ Rowlatt Legacy Fund**

The CJ Rowlatt Legacy Fund provides for the improvement and upkeep of Luxmoore's Garden and other College gardens. In 2022 an amount of £1,700 was allocated from the fund, which includes a donation of £1,000 from the Swire Charitable Trust, towards the upkeep of Luxmoore's Garden *(2021: £1,700)*. The value of the fund at the year-end was £27k *(2021: £31k)*.

**HK Marsden Memorial Fund**

This fund has been built up from donations and provides travel grants to boys at Eton. Twenty three travel bursaries were awarded totalling £8,100, and three previous awards were cancelled, resulting in a repayment of £920 during the year *(2021: no awards, 1 previous award cancelled £230)*. The value of the fund at the year-end was £236k *(2021: £264k)*.

**Hornby Steer Legacy Fund**

This fund was created in 1994 with a legacy from William Hornby Steer amounting to £1.6 million. The fund was formed for the advancement of education and the furtherance of charitable objects connected with Eton College. The Council allocated £800,000 of the fund to Eton College to assist with the rebuilding of the Drawing Schools. The remainder of the Fund is currently being used to provide bursaries. Five bursaries were in operation during the year costing £105,825 *(2021: 5 costing £58,724)* with a total commitment at the year end of £266,980 *(2021: £280,609)*. The value of the fund at the year-end was £3.0 million *(2021: £3.4 million)*.

## The Old Etonian Trust

*(Limited by guarantee)*

**Henry VI Fund**

This fund was created in 2018 following the transfer from The Henry VI Charity of net assets totalling £6.2 million. The Henry VI Charity was established in 1973 as a general educational charity whose purposes include the provision of bursaries to schools outside the maintained sector. The Henry VI Fund will continue to be used for the same purposes. Nine bursaries were in operation during the year costing £195,533 *(2021: 9 costing £189,831)* with a total commitment at the year end of £903,936 *(2021: £540,160)*. The value of the fund at the year-end was £6.8 million *(2021: £8.0 million)*.

In preparing this report, the Council has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Council

**C J Robarts** (*Secretary*) 4th July 2023

## Statement of responsibilities of the Members of the Council

The Members of the Council (who are also directors of The Old Etonian Trust for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of the Council to prepare financial statements for each financial year. Under company law, the Members of the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Members of the Council are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# The Old Etonian Trust

*(Limited by guarantee)*

**Independent Auditors' Report to the members of The Old Etonian Trust**

**Opinion**

We have audited the financial statements of The Old Etonian Trust (the 'charitable company') for the year ended 31 December 2022 which comprises the Statement of Financial Activities, the balance sheet, 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance was performed, with no instances found;
- reviewing minutes of meeting of those charges with governance found no instance of irregularities or fraud;
- performing audit work over the risk of management override and controls, such as reviewing journal entries and reviewing investment valuation. This found no indication of irregularities or fraud.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

HJWilkinson

Helena Wilkinson (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT
Date: 31 July 2023

# The Old Etonian Trust

*(Limited by guarantee)*

## Statement of Financial Activities (including summary income and expenditure account)

*for the year ended 31 December 2022*

| | Note | 2022 Restricted £ | 2022 Unrestricted £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | - | - | - | - |
| Donations received | | 1,013 | - | 1,013 | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | 203,180 | 165,703 | 368,883 | 330,484 |
| Interest receivable | | 730 | 597 | 1,327 | 24 |
| **Total income** | 5 | 204,923 | 166,300 | 371,223 | 331,521 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | (70,703) | (551,551) | (622,254) | (67,503) |
| Unwinding of bursary discount | 10 | (14,321) | (7,758) | (22,079) | (34,523) |
| Grants to Eton | | (1,700) | - | (1,700) | (1,700) |
| Support costs: investment management fees | | (14,713) | (11,999) | (26,712) | (23,573) |
| Support costs: other | 4 | (3,996) | (3,257) | (7,253) | (7,088) |
| **Total expenditure** | | (105,433) | (574,565) | (679,998) | (134,387) |
| **Net income / (expenditure) before gains and losses on investments** | | 99,490 | (408,265) | (308,775) | 197,134 |
| Net gains / (losses) on investments | 5 | (1,032,070) | (841,696) | (1,873,766) | 2,772,518 |
| **Net (expenditure) / income for the year being net movement in funds** | | (932,580) | (1,249,961) | (2,182,541) | 2,969,652 |
| **Total Fund balances brought forward** | 11 | 9,548,551 | 8,021,903 | 17,570,454 | 14,600,802 |
| **Total Fund balances carried forward** | | 8,615,971 | 6,771,942 | 15,387,913 | 17,570,454 |

The income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 13 to 22 form part of these financial statements.

## The Old Etonian Trust

*(Limited by guarantee)*

## Balance sheet

*at 31 December 2022*

| | Note | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Investments at market value | 7 | | **16,373,201** | | 18,246,975 |
| **Current assets** | | | | | |
| Cash at bank | | **682,515** | | 817,760 | |
| **Creditors**: amounts falling due within one year | 9 | **(451,184)** | | (449,925) | |
| **Net current assets** | | | **231,331** | | 367,835 |
| **Total assets less current liabilities** | | | **16,604,532** | | 18,614,810 |
| **Creditors:** amounts falling due after more than one year | 9 | | **(1,216,619)** | | (1,044,356) |
| **Net assets** | | | **15,387,913** | | 17,570,454 |
| **Funds** | | | | | |
| Restricted | 5 | | **8,615,971** | | 9,548,551 |
| Unrestricted | 5 | | **6,771,942** | | 8,021,903 |
| | | | **15,387,913** | | 17,570,454 |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Council who approved the accounts on 4th July 2023.

**C J Robarts**

Secretary

(Company registration number 359518)

The notes on pages 13 to 22 form part of these Financial Statements.

# The Old Etonian Trust

*(Limited by guarantee)*

## Statement of cash flows

*for the year ended 31 December 2022*

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | £ | £ |
| **Cash flows from operating activities** | | | |
| Net (deficit) / surplus for the financial period | | **(308,775)** | 197,134 |
| **Adjustments for:** | | | |
| Increase / decrease in creditors | *9* | **173,522** | (287,247) |
| Decrease / Increase in debtors | | **-** | - |
| **Net cash (used by) / generated from operating activities** | | **(135,253)** | (90,113) |
| **Cash flows from investment activities** | *7* | | |
| Purchase of investments | | **-** | (2,813,105) |
| Sale of investments | | **8** | 2,482,307 |
| **Net cash from investment activities** | | **8** | (330,798) |
| **Net increase in cash and cash equivalents** | | **(135,245)** | (420,911) |
| Cash and cash equivalents at the start of the year | | **817,760** | 1,238,671 |
| **Cash and cash equivalents at the end of the year** | | **682,515** | 817,760 |
| **Cash and cash equivalents at the end of the period comprise:** | | | |
| Cash at bank | | **682,515** | 817,760 |

The notes on pages 13 to 22 form part of these financial statements.

## Notes *(forming part of the financial statements)*

1 The Old Etonian Trust is a charitable company limited by guarantee. The individual liability of the company's ten members, comprising all the Council Members, is limited to £1. For Companies Act purposes the Council Members are directors of the company.

2 **ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

The Council considers there remains a risk that the value of investments together with investment income will continue to be volatile reflecting the current economic environment. The Charity continues to have significant cash holdings to provide immediate liquidity for funding future commitments. In addition, the investment assets are still very substantially larger than those commitments. The Trustees will continue to review the level of future commitments in the light of the ongoing impact on the investment portfolio and the expected income. As a result, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**(b) Income**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be

reliably measured and title to the asset has passed to the charity. Where legacies have been notified or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

**(c) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the heading of "Total expenditure", which includes grants made, governance costs and an apportionment of support costs.

Grants and bursaries payable to third parties are within the charitable objectives. Bursaries and grants payable are charged to expenditure in the year in which they are awarded and notified to the recipient, on the basis that they constitute a constructive obligation to the Charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

**(d) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligator can be measured as estimated reliability. Creditors are recognised at their settlement amount. Long term creditors, being bursaries are discounted using the investment return to the charity as discount factor.

**(e) Investment Fixed Assets**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

Realised investment gains and losses are calculated as the difference between the market value at the date of sale and the original cost of the investment. Unrealised investment gains and losses are calculated as the difference between the market value at 31 December 2022 and the market

value at 31 December 2021, or the value on date of purchase if later. Unrealised gains and losses are adjusted for any previously unrealised gains or losses that are realised during the year.

Investments are held in single overall 'unitised' holding within the General Fund, with each fund's holding of the investment portfolio included in its interfund account. The value in each fund is updated annually based on each fund's share of the overall value of investments portfolio.

**(f) Funds**

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide, whereas restricted funds represent funds given for a particular purpose.

All covenanted income and donations are applied to the accumulated fund via the capital account. Bursaries may continue to be paid in the future out of the income from the accumulated fund, without the need for further fund raising. These payments do not prejudice the Trustees' discretion to spend the accumulated fund for the objects of the Charity.

**(g) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (being their cost) with the exception of investments which are measured at market value. The historical cost of investments and the unrealised gain is disclosed in note 7.

## 3 EXPENSES

The charity made a contribution to the Secretary, who is a Member of the Council, of £500 (2021: £500) towards expenses incurred, as permitted by the Articles of Association. Members of the Council receive no remuneration for their services and have not been reimbursed for any expenses (2021: £nil).

## 4 SUPPORT COSTS: OTHER

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Audit fees | **6,310** | 6,100 |
| Bank charges | **368** | 488 |
| Contribution to secretary expenses | **500** | 500 |
| Meeting room hire | **75** | - |
| | **7,253** | 7,088 |

## 5 STATEMENT OF FUNDS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2022 | **30,647** | **5,853,296** | **264,328** | **3,400,280** | **9,548,551** | **-** | **8,021,903** | **8,021,903** | **17,570,454** |
| Income | **1,592** | **126,699** | **5,145** | **71,487** | **204,923** | **-** | **166,300** | **166,300** | **371,223** |
| Expenditure | **(1,755)** | **2,729** | **(7,652)** | **(98,755)** | **(105,433)** | **-** | **(574,565)** | **(574,565)** | **(679,998)** |
| Investment gains / (losses) | **(2,998)** | **(641,203)** | **(26,045)** | **(361,824)** | **(1,032,070)** | **-** | **(841,696)** | **(841,696)** | **(1,873,766)** |
| Net assets at 31 December 2022 | **27,486** | **5,341,521** | **235,776** | **3,011,188** | **8,615,971** | **-** | **6,771,942** | **6,771,942** | **15,387,913** |

The purpose of each fund is described in the Council's report on page 3 to 5.

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2021 | 26,124 | 4,887,538 | 222,314 | 2,889,782 | 8,025,758 | - | 6,575,044 | 6,575,044 | 14,600,802 |
| Income | 1,562 | 113,245 | 4,495 | 63,557 | 182,859 | - | 148,662 | 148,662 | 331,521 |
| Expenditure | (1,752) | (97,352) | (187) | (86,214) | (185,505) | - | 51,118 | 51,118 | (134,387) |
| Investment gains / (losses) | 4,713 | 949,865 | 37,706 | 533,155 | 1,525,439 | - | 1,247,079 | 1,247,079 | 2,772,518 |
| Net assets at 31 December 2021 | 30,647 | 5,853,296 | 264,328 | 3,400,280 | 9,548,551 | - | 8,021,903 | 8,021,903 | 17,570,454 |

## 6 ANALYSIS OF NET ASSETS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2022** | | | | | | | | | |
| Investments | - | - | - | - | - | **16,373,201** | - | **16,373,201** | **16,373,201** |
| Current assets | - | - | - | - | - | **682,515** | - | **682,515** | **682,515** |
| Current liabilities | - | **(152,856)** | - | **(85,686)** | **(238,542)** | **(5,701)** | **(206,941)** | **(212,642)** | **(451,184)** |
| Interfund balances | **27,486** | **5,832,707** | **235,776** | **3,278,168** | **9,374,137** | **(17,050,015)** | **7,675,878** | **(9,374,137)** | - |
| Long term liabilities | - | **(338,330)** | - | **(181,294)** | **(519,624)** | - | **(696,995)** | **(696,995)** | **(1,216,619)** |
| Total net assets | **27,486** | **5,341,521** | **235,776** | **3,011,188** | **8,615,971** | - | **6,771,942** | **6,771,942** | **15,387,913** |

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2021** | | | | | | | | | |
| Investments | - | - | - | - | - | 18,246,975 | - | 18,246,975 | 18,246,975 |
| Current assets | - | - | - | - | - | 817,760 | - | 817,760 | 817,760 |
| Current liabilities | - | (164,997) | (270) | (98,540) | (263,807) | (5,001) | (181,117) | (186,118) | (449,925) |
| Interfund balances | 30,647 | 6,521,537 | 264,598 | 3,680,889 | 10,497,671 | (19,059,734) | 8,562,063 | (10,497,671) | - |
| Long term liabilities | - | (503,244) | - | (182,069) | (685,313) | - | (359,043) | (359,043) | (1,044,356) |
| Total net assets | 30,647 | 5,853,296 | 264,328 | 3,400,280 | 9,548,551 | - | 8,021,903 | 8,021,903 | 17,570,454 |

## 7 LISTED INVESTMENTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| AVI Global Trust (formerly British Empire Trust) | **996,975** | 1,141,510 |
| Ashoka India Equity Investment Trust | **615,360** | 657,025 |
| CG Portfolio Fund | **1,105,109** | 1,156,680 |
| Caledonia Investments | **924,160** | 1,041,920 |
| Diverse Income Trust | **442,508** | 554,953 |
| Edinburgh Investment Trust | **1,263,160** | 1,247,271 |
| Evenlode Global Income F | **1,004,570** | 1,092,362 |
| Fundsmith LLP Equity T Inc NAV | **1,064,499** | 1,234,750 |
| Heronbridge | **1,875,463** | 1,911,321 |
| Law Debenture Corp | **978,399** | 1,013,931 |
| Miton Global Opportunties | **542,474** | 609,365 |
| Miton UK Microcap Trust | **350,350** | 492,250 |
| Personal Assets Trust | **1,797,787** | 1,890,030 |
| Rothschild Investment Trust | **1,559,963** | 2,018,775 |
| Sarasin Endowments | **989,165** | 1,127,331 |
| Schroder Asian Total Return | **421,785** | 521,180 |
| Veritas Finds Asian Sterling D | **441,474** | 536,321 |
| | **16,373,201** | 18,246,975 |
| Historical cost | **12,744,777** | 12,744,785 |
| Excess of market value over historical cost | **3,628,424** | 5,502,190 |

The movements in listed investments may be summarised as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Market value at 1 January | **18,246,975** | 15,143,659 |
| Sales during the year | **(8)** | (2,482,307) |
| Purchases during the year | **-** | 2,813,105 |
| Net gains/(losses) during the year | **(1,873,766)** | 2,772,518 |
| Market value at 31 December | **16,373,201** | 18,246,975 |
| Cost at 31 December | **12,744,777** | 12,744,785 |

All investments are carried at their fair value

## 8. INVESTMENT INCOME

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Dividends - equities | **368,883** | 330,484 |

## 9. CREDITORS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| **Amounts falling due within one year** | | |
| Bursaries and grants awarded (note 10) | **445,483** | 444,924 |
| Audit fee | **5,700** | 5,000 |
| Amount due to The Henry VI Charity | **1** | 1 |
| | **451,184** | 449,925 |
| **Amounts falling due after more than one year** | | |
| Bursaries and grants awarded (note 10) | **1,216,619** | 1,044,356 |

## 10. BURSARIES AND GRANTS AWARDED – CURRENT YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2022 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 4,431 | 8,100 | 90,921 | 622,551 | 726,003 |
| Bursaries withdrawn / reduced during the year | (29,874) | (920) | - | (41,397) | (72,191) |
| Discount of new bursaries | 613 | - | (2,568) | (29,603) | (31,558) |
| Net bursaries awarded during the year | (24,830) | 7,180 | 88,353 | 551,551 | 622,254 |
| Unwinding of discount | 10,478 | - | 3,843 | 7,758 | 22,079 |
| Bursaries paid during the year | (162,703) | (7,450) | (105,825) | (195,533) | (471,511) |
| Net increase / (decrease) during year in bursaries awarded but not paid | (177,055) | (270) | (13,629) | 363,776 | 172,822 |
| Bursaries awarded but not paid at 1 January | 668,241 | 270 | 280,609 | 540,160 | 1,489,280 |
| Bursaries awarded but not paid at 31 December | 491,186 | - | 266,980 | 903,936 | 1,662,102 |
| Bursaries due within one year | 152,856 | - | 85,686 | 206,941 | 445,483 |
| Bursaries due to be paid after more than one year | 338,330 | - | 181,294 | 696,995 | 1,216,619 |
| Total bursaries due | 491,186 | - | 266,980 | 903,936 | 1,662,102 |

Bursaries are awarded to individuals to support payment of education fees at schools outside the maintained sector. For the War Memorial Bursary Fund, no new bursaries were awarded (with some changes to existing bursaries) and there are currently six bursaries in operation. For the Hornby Steer Fund, no new bursaries were awarded during the year and there are currently four bursaries in operation. For the H K Marsden Fund, 23 travel grants were awarded during the year. For the Henry VI Fund, four bursaries were awarded (with some changes to existing bursaries and there are currently eight bursaries in operation.

## 10. BURSARIES AND GRANTS AWARDED – PRIOR YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2021 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 71,153 | (230) | 76,101 | 17,078 | 164,102 |
| Bursaries withdrawn during the year | - | - | - | (104,583) | (104,583) |
| Discount of new bursaries | 1,548 | - | (967) | 7,403 | 7,984 |
| Net bursaries awarded during the year | 72,701 | (230) | 75,134 | (80,102) | 67,503 |
| Unwinding of discount | 14,147 | - | 5,184 | 15,192 | 34,523 |
| Bursaries paid during the year | (142,851) | - | (58,724) | (186,998) | (388,573) |
| Net increase / (decrease) during year in bursaries awarded but not paid | (56,003) | (230) | 21,594 | (251,908) | (286,547) |
| Bursaries awarded but not paid at 1 January | 724,244 | 500 | 259,015 | 792,068 | 1,775,827 |
| Bursaries awarded but not paid at 31 December | 668,241 | 270 | 280,609 | 540,160 | 1,489,280 |
| Bursaries due within one year | 164,997 | 270 | 98,540 | 181,117 | 444,924 |
| Bursaries due to be paid after more than one year | 503,244 | - | 182,069 | 359,043 | 1,044,356 |
| Total bursaries due | 668,241 | 270 | 280,609 | 540,160 | 1,489,280 |

## 11. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

| | *Note* | **2021 Restricted £** | **2021 Unrestricted £** | **2021 Total £** | 2020 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | - | - | - | 5,000 |
| Donations received | | **1,013** | - | **1,013** | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | **181,833** | **148,651** | **330,484** | 391,045 |
| Interest receivable | | **13** | **11** | **24** | 417 |
| **Total income** | 5 | **182,859** | **148,662** | **331,521** | 397,475 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | **(147,605)** | **80,102** | **(67,503)** | (764,783) |
| Unwinding of bursary discount | 10 | **(19,331)** | **(15,192)** | **(34,523)** | (24,486) |
| Grants to Eton | | **(1,700)** | - | **(1,700)** | (1,700) |
| Support costs: investment management fees | | **(12,970)** | **(10,603)** | **(23,573)** | (45,685) |
| Support costs: other | 4 | **(3,899)** | **(3,189)** | **(7,088)** | (6,850) |
| **Total expenditure** | | **(185,505)** | **51,118** | **(134,387)** | (843,504) |
| **Net (expenditure) / income before gains and losses on investments** | | **(2,646)** | **199,780** | **197,134** | (446,029) |
| Net gains / (losses) on investments | 5 | **1,525,439** | **1,247,079** | **2,772,518** | (28,455) |
| **Net (expenditure) / income for the year being net movement in funds** | | **1,522,793** | **1,446,859** | **2,969,652** | (474,484) |
| **Total Fund balances brought forward** | 11 | **8,025,758** | **6,575,044** | **14,600,802** | 15,075,286 |
| **Total Fund balances carried forward** | | **9,548,551** | **8,021,903** | **17,570,454** | 14,600,802 |

## 12. RELATED PARTY TRANSACTIONS

The Charity's investments are administered by Evelyn Partners (formerly Smith & Williamson), which charged custody fees of £26,712 (*2021: £23,573*) that are included in the Statement of Financial Activities. A Trustee, Mr PAD Inkin, is a partner of Evelyn Partners.

In addition, the Charity recognised student bursaries of £646,033 (*2021: £103,726*) payable to Eton College. The balance payable to Eton College at the year end was £1,571,948 (*2021: £1,489,280*). The Trustees Lord Waldegrave of North Hill and Mr Peter McKee are Provost and Vice-Provost of Eton College.

Other than those noted above and in note 3, no other related party transactions took place in the year ended 31 December 2022.

**OLD ETONIAN TRUST(THE)**

England & Wales - Charity number 1151597

# Accounts

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's Report and Financial Statements

**For the year ended 31 December 2021**

Registered Company Number 359518

Registered Charity Number 1151597

## Council's report

### Constitution

The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association, which were updated during 2018 to reflect an update the objects. The principal objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund.

During 2018, the assets and liabilities of The Henry VI Charity, which totalled £6.2 million, were transferred to The Old Etonian Trust. A separate unrestricted fund, the Henry VI fund, has been created and is used for the provision of bursaries to support education outside the maintained sector. This also resulted in the Hornby Steer Fund being classified as restricted. These trusts are reported on below.

The Members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting policy for the year.

The day to day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries. The Charity does not carry out any significant fundraising activities and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of any fundraising activities.

### Fund accounting

Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Reserves policy

The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year together with an element of capital growth, with the balance of capital growth retained in the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £17.6 million at 31 December 2021 of which £8.0 million was unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims to maintain cash balances to cover at least one year of forward bursary commitments.

### Investment policy

The Investment Committee meets three times during each year to provide advice and guidance to the Council on investment policy. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least quarterly valuations.

The Council's policy is to maximise the return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investment objective is to achieve a balance between capital growth and a steady, growing level of income from a multi asset portfolio, predominantly investing in equities and bonds.

## The Old Etonian Trust

*(Limited by guarantee)*

## Trustees ("members of the Council")

AGR Windham CVO (Chairman)
Lord Bridges KCVO
Dr ALH Gailey CVO (resigned 7 July 2020)
PAD Inkin
RB Landman
RDO Macleay
PJ McKee (appointed 7 July 2020)
CJ Robarts (Secretary)
Lord Suffield
Lord Waldegrave of North Hill

## Principal address

The Old Vicarage
Great Hormead
Buntingford
Hertfordshire
SG9 0NT

## List of advisers

**Bankers**
Coutts & Co
440 Strand
London
WC2R 0QS

**Solicitors**
Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

**Statutory auditors**
Price Bailey LLP
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

## Council's report

### Constitution

The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association, which were updated during 2018 to reflect an update the objects. The principal objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund.

During 2018, the assets and liabilities of The Henry VI Charity, which totalled £6.2 million, were transferred to The Old Etonian Trust. A separate unrestricted fund, the Henry VI fund, has been created and is used for the provision of bursaries to support education outside the maintained sector. This also resulted in the Hornby Steer Fund being classified as restricted. These trusts are reported on below.

The Members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting policy for the year.

The day to day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries. The Charity does not carry out any significant fundraising activities and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of any fundraising activities.

### Fund accounting

Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Reserves policy

The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year together with an element of capital growth, with the balance of capital growth retained in the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £17.6 million at 31 December 2021 of which £8.0 million was unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims to maintain cash balances to cover at least one year of forward bursary commitments.

### Investment policy

The Investment Committee meets three times during each year to provide advice and guidance to the Council on investment policy. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least quarterly valuations.

The Council's policy is to maximise the return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investment objective is to achieve a balance between capital growth and a steady, growing level of income from a multi asset portfolio, predominantly investing in equities and bonds.

The aim of the portfolio is to generate sustainable income, growing at least in line with school fees inflation, as far as possible. The Council aims for annual expenditure that is based on investment income consistent with the MSCI World index together with an allowance for capital growth. Investments are in authorised funds giving a wide spread of securities managed by highly reputable financial institutions.

The Charity continues to hold £0.8 million in cash, which is expected to enable it to maintain the current level of bursaries over the next few years.

During 2021, there have been net gains on investments of £2.8 million (*2020: net loss £28,455*), which is an increase of 18% reflecting an increase in stock market values during 2021. The total return on the investment portfolio was 20% (*2020: net gain 1.8%*). The Investment Committee monitors performance of the portfolio compared to benchmark indices. The MSCI World Index (gross return) increased by 23%, while the FTSE 100 Total Return Index increased by 18% during 2021.

**Grant making**

The Council agrees the maximum amount of funds available for bursary awards each year. Applications for bursaries are considered by the Bursary Committee at Eton. Awards are assessed on grounds of financial need and the perceived quality of the applicant and are reviewed regularly, being liable to withdrawal should circumstances change. Awards are approved by the Chairman and the Secretary. Awards are paid directly to the school. Travel bursaries are considered by a separate committee at Eton and are subsequently approved by the Chairman and the Secretary while other specific grants are decided by the Council.

**Risk assessment**

The Council has reviewed the major risks associated with the Charity and is satisfied that systems are in place to mitigate those risks. It has identified the following key risks:

- Misuse of the trust funds by recipients. The Council seeks to limit exposure through funding policies, the Charity does not provide funding to educational institutes based outside the UK and does not make payments direct to an individual;
- A decline in investment performance resulting in income being insufficient to meet demand for bursaries or to meet existing commitments. The Council seeks to mitigate this by investing in a spread of authorised funds giving a spread of securities, with performance being monitored on a regular basis;
- Significant school fee inflation could limit the Charity's ability to meet demand. The Charity could use capital to meet higher demand but this will impact the level of funding that can be provided in the long term. The level of bursary commitments is based on forecasts of future income and is monitored closely;
- Fraud, principally the misappropriation of cash or investments. Two signatures are required on all cash transactions over £500, schedules of commitments are cross-checked with Eton, and investment changes also require two signatures;
- Political action against private education. If this were sufficiently significant, Council would need to review uses for its funds consistent with the terms of the Trust Deed.

**Future plans**

The Council aims to continue the advancement of education and the furtherance of charitable objects connected with Eton College based on the returns achieved on the Charity's investments.

## The Old Etonian Trust

*(Limited by guarantee)*

**Council members and employees**

Under the terms of the Trust Deed, the power of appointing new Members of the Council is vested in the existing Members of the Council. There are no employees of the Trust and Members of the Council receive no remuneration for their services.

Andrew Gailey resigned and Peter McKee was appointed as a Member of the Council at the Annual General Meeting on 6th July 2020.

Under the articles of association, the governing body of Eton College, which receives bursaries from The Old Etonian Trust, has the right to nominate two members of the Council. It has nominated Lord Waldegrave and Mr McKee, who are the Provost and Vice Provost of the governing body.

**Policies for the induction and training of Council members**

The Council members have been in post for a number of years and new Council members are appointed infrequently. When new members are appointed, they are provided with a copy of the Articles of Association and are briefed on the aims and objectives of the trust and directed to the Charity Commission guidance to ensure they understood the roles and responsibilities of a trustee.

**War Memorial Bursary Fund**

The War Memorial Bursary Fund has awarded bursaries to the sons or grandsons of Old Etonians whose parents would not otherwise be able to afford the Eton fees. During the process for registration as a charity, The Charity Commission required this restriction to be removed as it considered it did not represent a public class. The fund is now used to provide bursaries to boys in general at Eton. Nine bursaries were in operation during the year costing £142,851 *(2020: 7 costing £139,782)* with a total commitment at the year-end of £724,244 *(2020: £668,241)*. The value of the fund at the year-end was £5.9 million *(2020: £4.9 million)*.

**General Fund**

The General Fund is solely used to administer the Charity's investments and bank accounts.

**CJ Rowlatt Legacy Fund**

The CJ Rowlatt Legacy Fund provides for the improvement and upkeep of Luxmoore's Garden and other College gardens. In 2021 an amount of £1,700 was allocated from the fund, which includes a donation of £1,000 from the Swire Charitable Trust, towards the upkeep of Luxmoore's Garden *(2020: £1,700)*. The value of the fund at the year-end was £31k *(2020: £26k)*.

**HK Marsden Memorial Fund**

This fund has been built up from donations and provides travel grants to boys at Eton. No travel bursaries were awarded, and one previous award was cancelled, resulting in a repayment of £230 during the year *(2020: 4 costing £500)*. The value of the fund at the year-end was £264k *(2020: £222)*.

**Hornby Steer Legacy Fund**

This fund was created in 1994 with a legacy from William Hornby Steer amounting to £1.6 million. The fund was formed for the advancement of education and the furtherance of charitable objects connected with Eton College. The Council allocated £800,000 of the fund to Eton College to assist with the rebuilding of the Drawing Schools. The remainder of the Fund is currently being used to provide bursaries. Five bursaries were in operation during the year costing £58,724 *(2020: 4 costing £59,977)* with a total commitment at the year end of

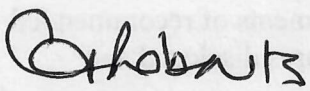
£280,609 *(2020: £259,015)*. The value of the fund at the year-end was £3.4 million *(2020: £2.9 million)*.

**Henry VI Fund**

This fund was created in 2018 following the transfer from The Henry VI Charity of net assets totalling £6.2 million. The Henry VI Charity was established in 1973 as a general educational charity whose purposes include the provision of bursaries to schools outside the maintained sector. The Henry VI Fund will continue to be used for the same purposes. Nine bursaries were in operation during the year costing £189,831 *(2020: 8 costing £183,290)* with a total commitment at the year end of £540,160 *(2020: £792,068)*. The value of the fund at the year-end was £8.0 million *(2020: £6.6 million)*.

In preparing this report, the Council has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Council



**C J Robarts** (*Secretary*) 5th July 2022

## The Old Etonian Trust

*(Limited by guarantee)*

## Statement of responsibilities of the Members of the Council

The Members of the Council (who are also directors of The Old Etonian Trust for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of the Council to prepare financial statements for each financial year. Under company law, the Members of the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Members of the Council are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# The Old Etonian Trust

*(Limited by guarantee)*

**Independent Auditors' Report to the members of The Old Etonian Trust**

**Opinion**

We have audited the financial statements of The Old Etonian Trust (the 'charitable company') for the year ended 31 December 2021 which comprises the Statement of Financial Activities, the balance sheet, 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance was performed, with no instances found;
- reviewing minutes of meeting of those charges with governance found no instance of irregularities or fraud;
- performing audit work over the risk of management override and controls, such as reviewing journal entries and reviewing investment valuation. This found no indication of irregularities or fraud.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J. Wilkinson

Helena Wilkinson (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT



8 August 2022

# The Old Etonian Trust

*(Limited by guarantee)*

## Statement of Financial Activities (including summary income and expenditure account)

*for the year ended 31 December 2021*

| | Note | 2021 Restricted £ | 2021 Unrestricted £ | 2021 Total £ | 2020 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | - | - | - | 5,000 |
| Donations received | | 1,013 | - | 1,013 | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | 181,833 | 148,651 | 330,484 | 391,045 |
| Interest receivable | | 13 | 11 | 24 | 417 |
| **Total income** | 5 | 182,859 | 148,662 | 331,521 | 397,475 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | (147,605) | 80,102 | (67,503) | (764,783) |
| Unwinding of bursary discount | 10 | (19,331) | (15,192) | (34,523) | (24,486) |
| Grants to Eton | | (1,700) | - | (1,700) | (1,700) |
| Support costs: investment management fees | | (12,970) | (10,603) | (23,573) | (45,685) |
| Support costs: other | 4 | (3,899) | (3,189) | (7,088) | (6,850) |
| **Total expenditure** | | (185,505) | 51,118 | (134,387) | (843,504) |
| **Net (expenditure) / income before gains and losses on investments** | | (2,646) | 199,780 | 197,134 | (446,029) |
| Net gains / (losses) on investments | 5 | 1,525,439 | 1,247,079 | 2,772,518 | (28,455) |
| **Net income / (expenditure) for the year being net movement in funds** | | 1,522,793 | 1,446,859 | 2,969,652 | (474,484) |
| **Total Fund balances brought forward** | 11 | 8,025,758 | 6,575,044 | 14,600,802 | 15,075,286 |
| **Total Fund balances carried forward** | | 9,548,551 | 8,021,903 | 17,570,454 | 14,600,802 |

The income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 13 to 22 form part of these financial statements.

# The Old Etonian Trust

*(Limited by guarantee)*

## Balance sheet

*at 31 December 2021*

| | Note | 2021 | | 2020 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Investments at market value | 7 | | **18,246,975** | | 15,143,659 |
| **Current assets** | | | | | |
| Cash at bank | | **817,760** | | 1,238,671 | |
| **Creditors**: amounts falling due within one year | 9 | **(449,925)** | | (415,837) | |
| **Net current assets / liabilities** | | | **367,835** | | 822,834 |
| **Total assets less current liabilities** | | | **18,614,810** | | 15,966,493 |
| **Creditors:** amounts falling due after more than one year | 9 | | **(1,044,356)** | | (1,365,691) |
| **Net assets** | | | **17,570,454** | | 14,600,802 |
| **Funds** | | | | | |
| Restricted | 5 | | **9,548,551** | | 8,025,758 |
| Unrestricted | 5 | | **8,021,903** | | 6,575,044 |
| | | | **17,570,454** | | 14,600,802 |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Council who approved the accounts on 5th July 2022.

**C J Robarts**

Secretary

(Company registration number 359518)

The notes on pages 13 to 22 form part of these Financial Statements.

## The Old Etonian Trust
*(Limited by guarantee)*

### Statement of cash flows
*for the year ended 31 December 2021*

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | | £ |
| **Cash flows from operating activities** | | | |
| Net surplus / (deficit) for the financial period | | **197,134** | (446,029) |
| **Adjustments for:** | | | |
| Increase / decrease in creditors | *9* | **(287,247)** | 407,220 |
| Decrease / Increase in debtors | | **-** | 500 |
| **Net cash (used by) / generated from operating activities** | | **(90,113)** | (38,309) |
| **Cash flows from investment activities** | *7* | | |
| Purchase of investments | | **(2,813,105)** | - |
| Sale of investments | | **2,482,307** | 801,188 |
| **Net cash from investment activities** | | **(330,798)** | 801,188 |
| **Net increase in cash and cash equivalents** | | **(420,911)** | 762,879 |
| Cash and cash equivalents at the start of the year | | **1,238,671** | 475,792 |
| **Cash and cash equivalents at the end of the year** | | **817,760** | 1,238,671 |
| **Cash and cash equivalents at the end of the period comprise:** | | | |
| Cash at bank | | **817,760** | 1,238,671 |

The notes on pages 13 to 22 form part of these financial statements.

**Notes** *(forming part of the financial statements)*

1 The Old Etonian Trust is a charitable company limited by guarantee. The individual liability of the company's ten members, comprising all the Council Members, is limited to £1. For Companies Act purposes the Council Members are directors of the company.

2 **ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

The Council considers there remains a risk that the value of investments together with investment income will continue to be volatile as a result of the Covid-19 pandemic. While the committed bursaries may not be fully funded by future investment income, the Charity increased its cash holdings in 2020 through the sale of investments to provide immediate liquidity for funding future commitments. In addition, the investment assets are still very substantially larger than those commitments. The Trustees will continue to review the level of future commitments in the light of the ongoing impact on the investment portfolio and the expected income. As a result, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

**(b) Income**

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock

exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

**(c) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the heading of "Total expenditure", which includes grants made, governance costs and an apportionment of support costs.

Grants and bursaries payable to third parties are within the charitable objectives. Bursaries and grants payable are charged to expenditure in the year in which they are awarded and notified to the recipient, on the basis that they constitute a constructive obligation to the Charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

**(d) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligator can be measured as estimated reliability. Creditors are recognised at their settlement amount. Long term creditors, being bursaries are discounted using the investment return to the charity as discount factor.

**(e) Investment Fixed Assets**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

Realised investment gains and losses are calculated as the difference between the market value at the date of sale and the original cost of the investment. Unrealised investment gains and losses are calculated as the

difference between the market value at 31 December 2021 and the market value at 31 December 2020, or the value on date of purchase if later. Unrealised gains and losses are adjusted for any previously unrealised gains or losses that are realised during the year.

Investments are held in single overall 'unitised' holding within the General Fund, with each fund's holding of the investment portfolio included in its interfund account. The value in each fund is updated annually based on each fund's share of the overall value of investments portfolio.

**(f) Funds**

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide, whereas restricted funds represent funds given for a particular purpose.

All covenanted income and donations are applied to the accumulated fund via the capital account. Bursaries may continue to be paid in the future out of the income from the accumulated fund, without the need for further fund raising. These payments do not prejudice the Trustees' discretion to spend the accumulated fund for the objects of the Charity.

**(g) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (being their cost) with the exception of investments which are measured at market value. The historical cost of investments and the unrealised gain is disclosed in note 7.

## 3 EXPENSES

The charity made a contribution to the Secretary, who is a Member of the Council, of £500 (2020: £500) towards expenses incurred, as permitted by the Articles of Association. Members of the Council receive no remuneration for their services and have not been reimbursed for any expenses (2020: £nil).

## 4 SUPPORT COSTS: OTHER

| | **2021** | 2020 |
|---|---|---|
| | **£** | £ |
| Audit fees | **6,100** | 5,860 |
| Bank charges | **488** | 490 |
| Contribution to secretary expenses | **500** | 500 |
| | **7,088** | 6,850 |

## 5 STATEMENT OF FUNDS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund (Other) | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2021 | **26,124** | **4,887,538** | **222,314** | **2,889,782** | **8,025,758** | **-** | **6,575,044** | **6,575,044** | **14,600,802** |
| Income | **1,562** | **113,245** | **4,495** | **63,557** | **182,859** | **-** | **148,662** | **148,662** | **331,521** |
| Expenditure | **(1,752)** | **(97,352)** | **(187)** | **(86,214)** | **(185,505)** | **-** | **51,118** | **51,118** | **(134,387)** |
| Investment gains / (losses) | **4,713** | **949,865** | **37,706** | **533,155** | **1,525,439** | **-** | **1,247,079** | **1,247,079** | **2,772,518** |
| Net assets at 31 December 2021 | **30,647** | **5,853,296** | **264,328** | **3,400,280** | **9,548,551** | **-** | **8,021,903** | **8,021,903** | **17,570,454** |

The purpose of each fund is described in the Council's report on page 3 to 5.

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund (Other) | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2020 | 26,296 | 5,144,284 | 218,684 | 2,947,155 | 8,336,419 | 20,310 | 6,718,557 | 6,738,867 | 15,075,286 |
| Income | 1,666 | 134,402 | 5,207 | 74,965 | 216,240 | - | 181,235 | 181,235 | 397,475 |
| Expenditure | (1,790) | (401,689) | (1,199) | (126,889) | (531,567) | - | (311,937) | (311,937) | (843,504) |
| Transfer between funds | - | 20,310 | - | - | 20,310 | (20,310) | - | (20,310) | - |
| Investment gains / (losses) | (48) | (9,769) | (378) | (5,449) | (15,644) | - | (12,811) | (12,811) | (28,455) |
| Net assets at 31 December 2020 | 26,124 | 4,887,538 | 222,314 | 2,889,782 | 8,025,758 | - | 6,575,044 | 6,575,044 | 14,600,802 |

## 6 ANALYSIS OF NET ASSETS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2021** | | | | | | | | | |
| Investments | - | - | - | - | - | 18,246,975 | - | 18,246,975 | 18,246,975 |
| Current assets | - | - | - | - | - | 817,760 | - | 817,760 | 817,760 |
| Current liabilities | - | (164,997) | (270) | (98,540) | (263,807) | (5,001) | (181,117) | (186,118) | (449,925) |
| Interfund balances | 30,647 | 6,521,537 | 264,598 | 3,680,889 | 10,497,671 | (19,059,734) | 8,562,063 | (10,497,671) | - |
| Long term liabilities | - | (503,244) | - | (182,069) | (685,313) | - | (359,043) | (359,043) | (1,044,356) |
| Total net assets | 30,647 | 5,853,296 | 264,328 | 3,400,280 | 9,548,551 | - | 8,021,903 | 8,021,903 | 17,570,454 |

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2020** | | | | | | | | | |
| Investments | - | - | - | - | - | 15,143,659 | - | 15,143,659 | 15,143,659 |
| Current assets | - | - | - | - | - | 1,238,671 | - | 1,238,671 | 1,238,671 |
| Current liabilities | (1,700) | (152,985) | (500) | (58,122) | (213,307) | (4,001) | (198,529) | (202,530) | (415,837) |
| Interfund balances | 27,824 | 5,611,782 | 222,814 | 3,148,797 | 9,011,217 | (16,378,329) | 7,367,112 | (9,011,217) | - |
| Long term liabilities | - | (571,259) | - | (200,893) | (772,152) | - | (593,539) | (593,539) | (1,365,691) |
| Total net assets | 26,124 | 4,887,538 | 222,314 | 2,889,782 | 8,025,758 | - | 6,575,044 | 6,575,044 | 14,600,802 |

## 7 LISTED INVESTMENTS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| AVI Global Trust (formerly British Empire Trust) | **1,141,510** | 930,510 |
| Ashoka India Equity Investment Trust | **657,025** | - |
| CG Portfolio Fund | **1,156,680** | 833,292 |
| Caledonia Investments | **1,041,920** | 737,280 |
| Diverse Income Trust | **554,953** | 244,406 |
| Edinburgh Investment Trust | **1,247,271** | 1,084,411 |
| Evenlode Global Income F | **1,092,362** | 905,158 |
| Fundsmith LLP Equity T Inc NAV | **1,234,750** | 1,013,283 |
| Herald Investment Trust | **-** | 418,693 |
| Heronbridge | **1,911,321** | 1,533,134 |
| Law Debenture Corp | **1,013,931** | 875,610 |
| Miton Global Opportunties | **609,365** | 251,065 |
| Miton UK Microcap Trust | **492,250** | - |
| Personal Assets Trust | **1,890,030** | 1,707,428 |
| Rothschild Investment Trust | **2,018,775** | 1,515,916 |
| Sarasin Endowments | **1,127,331** | 1,771,361 |
| Schroder Asian Total Return | **521,180** | - |
| Troy Income & Growth Trust | **-** | 1,322,112 |
| Veritas Finds Asian Sterling D | **536,321** | - |
| | **18,246,975** | 15,143,659 |
| Historical cost | **12,744,785** | 12,742,697 |
| Excess of market value over historical cost | **5,502,190** | 2,400,962 |

The movements in listed investments may be summarised as follows:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Market value at 1 January | **15,143,659** | 15,973,302 |
| Sales during the year | **(2,482,307)** | (801,188) |
| Purchases during the year | **2,813,105** | - |
| Net gains/(losses) during the year | **2,772,518** | (28,455) |
| Market value at 31 December | **18,246,975** | 15,143,659 |
| Cost at 31 December | **12,744,785** | 12,742,697 |

All investments are carried at their fair value

## 8. INVESTMENT INCOME

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Dividends - equities | **330,484** | 391,045 |

## 9. CREDITORS

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Amounts falling due within one year** | | |
| Bursaries and grants awarded (note 10) | **444,924** | 410,136 |
| Audit fee | **5,000** | 4,000 |
| Rowlatt income due to Eton | **-** | 1,700 |
| Amount due to The Henry VI Charity | **1** | 1 |
| | **449,925** | 415,837 |
| **Amounts falling due after more than one year** | | |
| Bursaries and grants awarded (note 10) | **1,044,356** | 1,365,691 |

## 10. BURSARIES AND GRANTS AWARDED – CURRENT YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2021 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 71,153 | (230) | 76,101 | 17,078 | 164,102 |
| Bursaries withdrawn during the year | - | - | - | (104,583) | (104,583) |
| Discount of new bursaries | 1,548 | - | (967) | 7,403 | 7,984 |
| Net bursaries awarded during the year | 72,701 | (230) | 75,134 | (80,102) | 67,503 |
| Unwinding of discount | 14,147 | - | 5,184 | 15,192 | 34,523 |
| Bursaries paid during the year | (142,851) | - | (58,724) | (186,998) | (388,573) |
| Net increase / (decrease) during year in bursaries awarded but not paid | (56,003) | (230) | 21,594 | (251,908) | (286,547) |
| Bursaries awarded but not paid at 1 January | 724,244 | 500 | 259,015 | 792,068 | 1,775,827 |
| Bursaries awarded but not paid at 31 December | 668,241 | 270 | 280,609 | 540,160 | 1,489,280 |
| Bursaries due within one year | 164,997 | 270 | 98,540 | 181,117 | 444,924 |
| Bursaries due to be paid after more than one year | 503,244 | - | 182,069 | 359,043 | 1,044,356 |
| Total bursaries due | 668,241 | 270 | 280,609 | 540,160 | 1,489,280 |

Bursaries are awarded to individuals to support payment of education fees at schools outside the maintained sector. For the War Memorial Bursary Fund, no new bursaries were awarded (with some changes to existing bursaries) and there are currently six bursaries in operation. For the Hornby Steer Fund, one new bursary was awarded during the year and there are currently five bursaries in operation. For the H K Marsden Fund, no travel grants were awarded during the year. For the Henry VI Fund, no bursaries were awarded (with some changes to existing bursaries), one was withdrawn and there are currently seven bursaries in operation.

## 10. BURSARIES AND GRANTS AWARDED – PRIOR YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2020 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 403,803 | 500 | 122,358 | 417,921 | 944,582 |
| Bursaries withdrawn during the year | - | - | - | (119,706) | (119,706) |
| Discount of new bursaries | (28,625) | - | (9,009) | (22,459) | (60,093) |
| Net bursaries awarded during the year | 375,178 | 500 | 113,349 | 275,756 | 764,783 |
| Unwinding of discount | 8,475 | - | 3,479 | 12,532 | 24,486 |
| Bursaries paid during the year | (139,782) | - | (59,977) | (183,290) | (383,049) |
| Net increase / (decrease) during year in bursaries awarded but not paid | 243,871 | 500 | 56,851 | 104,998 | 406,220 |
| Bursaries awarded but not paid at 1 January | 480,373 | - | 202,164 | 687,070 | 1,369,607 |
| Bursaries awarded but not paid at 31 December | 724,244 | 500 | 259,015 | 792,068 | 1,775,827 |
| Bursaries due within one year | 152,985 | 500 | 58,122 | 198,529 | 410,136 |
| Bursaries due to be paid after more than one year | 571,259 | - | 200,893 | 593,539 | 1,365,691 |
| Total bursaries due | 724,244 | 500 | 259,015 | 792,068 | 1,775,827 |

## 11. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 Restricted £ | 2020 Unrestricted £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | - | 5,000 | 5,000 | - |
| Donations received | | 1,013 | - | 1,013 | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | 214,997 | 176,048 | 391,045 | 351,573 |
| Interest receivable | | 230 | 187 | 417 | 1,049 |
| **Total income** | 5 | 216,240 | 181,235 | 397,475 | 353,635 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | (489,027) | (275,756) | (764,783) | (197,892) |
| Unwinding of bursary discount | 10 | (11,954) | (12,532) | (24,486) | (40,351) |
| Grants to Eton | | (1,700) | - | (1,700) | (1,700) |
| Support costs: investment management fees | | (25,119) | (20,566) | (45,685) | (40,921) |
| Support costs: other | 4 | (3,767) | (3,083) | (6,850) | (6,296) |
| **Total expenditure** | | (531,567) | (311,937) | (843,504) | (287,160) |
| **Net (expenditure) / income before gains and losses on investments** | | (315,327) | (130,702) | (446,029) | 66,475 |
| Net gains / (losses) on investments | 5 | (15,644) | (12,811) | (28,455) | 2,167,300 |
| **Net (expenditure) / income for the year being net movement in funds** | | (330,971) | (143,513) | (474,484) | 2,233,775 |
| **Transfer between funds** | | 20,310 | (20,310) | - | - |
| **Total Fund balances brought forward** | 11 | 8,336,419 | 6,738,867 | 15,075,286 | 12,841,511 |
| **Total Fund balances carried forward** | | 8,025,758 | 6,575,044 | 14,600,802 | 15,075,286 |

## 12. RELATED PARTY TRANSACTIONS

The Charity's investments are administered by Smith & Williamson, which charged custody fees of £23,573 (2020: £45,685) that are included in the Statement of Financial Activities. A Trustee, Mr PAD Inkin, is a partner of Smith & Williamson LLP.

In addition, the Charity recognised student bursaries of £103,726 (2020: £790,969) payable to Eton College. The balance payable to Eton College at the year end was £1,489,280 (2020: £1,767,757). The Trustees Lord Waldegrave of North Hill and Mr Peter McKee are Provost and Vice-Provost of Eton College.

Other than those noted above and in note 3, no other related party transactions took place in the year ended 31 December 2021.

**OLD ETONIAN TRUST(THE)**

England & Wales - Charity number 1151597

# Accounts

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's Report and Financial Statements

### For the year ended 31 December 2020

Registered Company Number 359518

Registered Charity Number 1151597

# The Old Etonian Trust
*(Limited by guarantee)*

## Council's report and financial statements

## Contents


| | *Page* |
|---|---|
| Members of the Council | 2 |
| List of Advisers | 2 |
| Council's report | 3 - 6 |
| Statement of responsibilities of the Members of the Council | 7 |
| Independent auditors' report | 8 |
| Statement of Financial Activities | 10 |
| Balance sheet | 11 |
| Statement of cash flows | 12 |
| Notes | 13 - 22 |

## The Old Etonian Trust

*(Limited by guarantee)*

## Trustees ("members of the Council")

R N Hambro CBE (resigned 7 July 2020)
AGR Windham CVO (Chairman)
Lord Bridges KCVO
Dr ALH Gailey CVO
PAD Inkin
RB Landman
RDO Macleay
CJ Robarts (Secretary)
Lord Suffield
Lord Waldegrave of North Hill

## Principal address

The Old Vicarage
Great Hormead
Buntingford
Hertfordshire
SG9 0NT

## List of advisers

| | |
|---|---|
| **Bankers** | Coutts & Co<br>440 Strand<br>London<br>WC2R 0QS |
| **Solicitors** | Farrer & Co LLP<br>66 Lincoln's Inn Fields<br>London<br>WC2A 3LH |
| **Statutory auditors** | Price Bailey LLP<br>Causeway House<br>1 Dane Street<br>Bishop's Stortford<br>Hertfordshire<br>CM23 3BT |

# The Old Etonian Trust

*(Limited by guarantee)*

## Council's report

### Constitution

The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association, which were updated during 2018 to reflect an update the objects. The principal objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund.

During 2018, the assets and liabilities of The Henry VI Charity, which totalled £6.2 million, were transferred to The Old Etonian Trust. A separate unrestricted fund, the Henry VI fund, has been created and is used for the provision of bursaries to support education outside the maintained sector. This also resulted in the Hornby Steer Fund being classified as restricted. These trusts are reported on below.

The Members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objects and in planning future activities and setting policy for the year.

The day to day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries. The Charity does not carry out any significant fundraising activities and does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of any fundraising activities.

### Fund accounting

Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Reserves policy

The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year together with an element of capital growth, with the balance of capital growth retained in the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £14.6 million at 31 December 2020 of which £6.6 million was unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims to maintain cash balances to cover at least one year of forward bursary commitments.

### Investment policy

The Investment Committee meets three times during each year to provide advice and guidance to the Council on investment policy. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least quarterly valuations.

The Council's policy is to maximise the return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investment objective is to achieve a balance between capital growth and a steady, growing level of income from a multi asset portfolio, predominantly investing in equities and bonds.

The aim of the portfolio is to generate sustainable income, growing at least in line with school fees inflation, as far as possible. The Council aims for annual expenditure that is based on investment income consistent with the MSCI World index together with an allowance for capital growth. Investments are in authorised funds giving a wide spread of securities managed by highly reputable financial institutions.

In May 2020, the Investment Committee considered there was a significant risk of volatility in investment performance over the next few years as a result of the Covid-19 pandemic, which could significantly reduce the funds available for bursaries. The Charity has therefore sold investments totalling to £0.8 million, which is expected to enable it to maintain the current level of bursaries over the next few years.

During 2020, there have been net losses on investments of £28,455 (*2019: net gain £2.2 million*), which is a decrease of 0.2% reflecting a fall in stock market values during 2020. The total return on the investment portfolio was 1.8% (*2019: net gain 16.4%*). The Investment Committee monitors performance of the portfolio compared to benchmark indices. The MSCI World Index (gross return) increased by 19%, while the FTSE 100 Total Return Index decreased by 12% during 2020.

**Grant making**

The Council agrees the maximum amount of funds available for bursary awards each year. Applications for bursaries are considered by the Bursary Committee at Eton. Awards are assessed on grounds of financial need and the perceived quality of the applicant and are reviewed regularly, being liable to withdrawal should circumstances change. Awards are approved by the Chairman and the Secretary. Awards are paid directly to the school. Travel bursaries are considered by a separate committee at Eton and are subsequently approved by the Chairman and the Secretary while other specific grants are decided by the Council.

**Risk assessment**

The Council has reviewed the major risks associated with the Charity and is satisfied that systems are in place to mitigate those risks. It has identified the following key risks:

- Misuse of the trust funds by recipients. The Council seeks to limit exposure through funding policies, the Charity does not provide funding to educational institutes based outside the UK and does not make payments direct to an individual;
- A decline in investment performance resulting in income being insufficient to meet demand for bursaries or to meet existing commitments. The Council seeks to mitigate this by investing in a spread of authorised funds giving a spread of securities, with performance being monitored on a regular basis;
- Significant school fee inflation could limit the Charity's ability to meet demand. The Charity could use capital to meet higher demand but this will impact the level of funding that can be provided in the long term. The level of bursary commitments is based on forecasts of future income and is monitored closely;
- Fraud, principally the misappropriation of cash or investments. Two signatures are required on all cash transactions over £500, schedules of commitments are cross-checked with Eton, and investment changes also require two signatures;
- Political action against private education. If this were sufficiently significant, Council would need to review uses for its funds consistent with the terms of the Trust Deed.

**Future plans**
The Council aims to continue the advancement of education and the furtherance of charitable objects connected with Eton College based on the returns achieved on the Charity's investments.

**Council members and employees**
Under the terms of the Trust Deed, the power of appointing new Members of the Council is vested in the existing Members of the Council. There are no employees of the Trust and Members of the Council receive no remuneration for their services.

Rupert Hambro resigned as a Member of the Council following the Annual General Meeting on 7th July 2020. Ashe Windham has been appointed to be his successor as Chairman of the Charity.

Under the articles of association, the governing body of Eton College, which receives bursaries from The Old Etonian Trust, has the right to nominate two members of the Council. It has nominated Lord Waldegrave and Dr Gailey, who are the Provost and Vice Provost of the governing body.

**Policies for the induction and training of Council members**

The Council members have been in post for a number of years and new Council members are appointed infrequently. When new members are appointed, they are provided with a copy of the Articles of Association and are briefed on the aims and objectives of the trust and directed to the Charity Commission guidance to ensure they understood the roles and responsibilities of a trustee.

**War Memorial Bursary Fund**
The War Memorial Bursary Fund has awarded bursaries to the sons or grandsons of Old Etonians whose parents would not otherwise be able to afford the Eton fees. During the process for registration as a charity, The Charity Commission required this restriction to be removed as it considered it did not represent a public class. The fund is now used to provide bursaries to boys in general at Eton. Seven bursaries were in operation during the year costing £139,782 *(2019: 7 costing £150,021)* with a total commitment at the year-end of £724,244 *(2019: £480,373)*. The value of the fund at the year-end was £4.9 million *(2019: £5.1 million)*.

**General Fund**
Following the consolidation of the investments into the General Fund last year, its net assets of £20,310 *(2019: £46,606)* have been transferred to the War Memorial Bursary Fund as the fund was not sufficient to generate income to fund a bursary. The General Fund is now solely used to administer the Charity's investments and bank accounts.

**CJ Rowlatt Legacy Fund**

The CJ Rowlatt Legacy Fund provides for the improvement and upkeep of Luxmoore's Garden and other College gardens. In 2020 an amount of £1,700 was allocated from the fund, which includes a donation of £1,000 from the Swire Charitable Trust, towards the upkeep of Luxmoore's Garden *(2019: £1,700)*. The value of the fund at the year-end was £26k *(2019: £26k)*.

**HK Marsden Memorial Fund**
This fund has been built up from donations and provides travel grants to boys at Eton. Four travel bursaries were awarded, and one cancelled, costing £500 during the year *(2019: 28 costing £8,136)*. The value of the fund at the year-end was £222k *(2019: £219k)*.

## The Old Etonian Trust

*(Limited by guarantee)*

**Hornby Steer Legacy Fund**

This fund was created in 1994 with a legacy from William Hornby Steer amounting to £1.6 million. The fund was formed for the advancement of education and the furtherance of charitable objects connected with Eton College. The Council allocated £800,000 of the fund to Eton College to assist with the rebuilding of the Drawing Schools. The remainder of the Fund is currently being used to provide bursaries. Four bursaries were in operation during the year costing £59,977 *(2019: 3 costing £76,368)* with a total commitment at the year end of £259,015 *(2019: £202,164)*. The value of the fund at the year-end was £2.9m *(2019: £2.9m)*.

**Henry VI Fund**

This fund was created in 2018 following the transfer from The Henry VI Charity of net assets totalling £6.2 million. The Henry VI Charity was established in 1973 as a general educational charity whose purposes include the provision of bursaries to schools outside the maintained sector. The Henry VI Fund will continue to be used for the same purposes. Eight bursaries were in operation during the year costing £183,290 *(2019: 10 costing £202,211)* with a total commitment at the year end of £792,068 *(2019: £687,070)*. The value of the fund at the year-end was £6.6m *(2019: £6.7m)*.

In preparing this report, the Council has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Council



**C J Robarts** *(Secretary)* 9th August 2021

## The Old Etonian Trust

*(Limited by guarantee)*

## Statement of responsibilities of the Members of the Council

The Members of the Council (who are also directors of The Old Etonian Trust for the purposes of company law) are responsible for preparing the Council's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of the Council to prepare financial statements for each financial year. Under company law, the Members of the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the Members of the Council are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# The Old Etonian Trust

*(Limited by guarantee)*

**Independent Auditors' Report to the members of The Old Etonian Trust**

**Opinion**

We have audited the financial statements of The Old Etonian Trust (the 'charitable company') for the year ended 31 December 2020 which comprises the Statement of Financial Activities, the balance sheet, 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance was performed, with no instances found;
- reviewing minutes of meeting of those charges with governance found no instance of irregularities or fraud;
- performing audit work over the risk of management override and controls, such as reviewing journal entries and reviewing investment valuation. This found no indication of irregularities or fraud.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

HWilkinson

Helena Wilkinson (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT

12 Aug 2021

## The Old Etonian Trust

*(Limited by guarantee)*

## Statement of Financial Activities (including summary income and expenditure account)

*for the year ended 31 December 2020*

| | Note | 2020 Restricted £ | 2020 Unrestricted £ | 2020 Total £ | 2019 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | - | **5,000** | **5,000** | - |
| Donations received | | **1,013** | - | **1,013** | 1,013 |
| Investments: | | | | | |
| Investment income | 8 | **214,997** | **176,048** | **391,045** | 351,573 |
| Interest receivable | | **230** | **187** | **417** | 1,049 |
| **Total income** | 5 | **216,240** | **181,235** | **397,475** | 353,635 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | **(489,027)** | **(275,756)** | **(764,783)** | (197,892) |
| Unwinding of bursary discount | 10 | **(11,954)** | **(12,532)** | **(24,486)** | (40,351) |
| Grants to Eton | | **(1,700)** | - | **(1,700)** | (1,700) |
| Support costs: investment management fees | | **(25,119)** | **(20,566)** | **(45,685)** | (40,921) |
| Support costs: other | 4 | **(3,767)** | **(3,083)** | **(6,850)** | (6,296) |
| **Total expenditure** | | **(531,567)** | **(311,937)** | **(843,504)** | (287,160) |
| **Net (expenditure) / income before gains and losses on investments** | | **(315,327)** | **(130,702)** | **(446,029)** | 66,475 |
| Net gains / (losses) on investments | 5 | **(15,644)** | **(12,811)** | **(28,455)** | 2,167,300 |
| **Net (expenditure) / income for the year being net movement in funds** | | **(330,971)** | **(143,513)** | **(474,484)** | 2,233,775 |
| **Transfer between funds** | | **20,310** | **(20,310)** | - | - |
| **Total Fund balances brought forward** | 11 | **8,336,419** | **6,738,867** | **15,075,286** | 12,841,511 |
| **Total Fund balances carried forward** | | **8,025,758** | **6,575,044** | **14,600,802** | 15,075,286 |

The income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 13 to 22 form part of these financial statements.

# The Old Etonian Trust

*(Limited by guarantee)*

## Balance sheet

*at 31 December 2020*

| | Note | 2020 | | 2019 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Investments at market value | 7 | | **15,143,659** | | 15,973,302 |
| **Current assets** | | | | | |
| Cash at bank | | **1,238,671** | | 475,792 | |
| Debtors | | **-** | | 500 | |
| **Creditors**: amounts falling due within one year | 9 | **(415,837)** | | (442,049) | |
| **Net current assets / liabilities** | | | **822,834** | | 34,243 |
| **Total assets less current liabilities** | | | **15,966,493** | | 16,007,545 |
| **Creditors:** amounts falling due after more than one year | 9 | | **(1,365,691)** | | (932,259) |
| **Net assets** | | | **14,600,802** | | 15,075,286 |
| **Funds** | | | | | |
| Restricted | 5 | | **8,025,758** | | 8,336,419 |
| Unrestricted | 5 | | **6,575,044** | | 6,738,867 |
| | | | **14,600,802** | | 15,075,286 |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Council who approved the accounts on 9th August 2021.

**C J Robarts**

Secretary

(Company registration number 359518)

The notes on pages 13 to 22 form part of these Financial Statements.

## The Old Etonian Trust

*(Limited by guarantee)*

### Statement of cash flows

*for the year ended 31 December 2020*

| | Note | 2020 | 2019 |
|---|---|---|---|
| | | | £ |
| **Cash flows from operating activities** | | | |
| Net (deficit) / surplus for the financial period | | **(446,029)** | 66,475 |
| **Adjustments for:** | | | |
| Increase / decrease in creditors | 9 | **407,220** | (199,902) |
| Decrease / Increase in debtors | | **500** | (500) |
| **Net cash (used by) / generated from operating activities** | | **(38,309)** | (133,927) |
| **Cash flows from investment activities** | 7 | | |
| Purchase of investments | | - | (5,670,517) |
| Sale of investments | | **801,188** | 5,948,139 |
| **Net cash from investment activities** | | **801,188** | 277,622 |
| **Net increase in cash and cash equivalents** | | **762,879** | 143,695 |
| Cash and cash equivalents at the start of the year | | **475,792** | 332,097 |
| **Cash and cash equivalents at the end of the year** | | **1,238,671** | 475,792 |
| **Cash and cash equivalents at the end of the period comprise:** | | | |
| Cash at bank | | **1,238,671** | 475,792 |

All of the above amounts relate to continuing activities. There were no other recognises gains and losses others than those stated above.

The notes on pages 13 to 22 form part of these financial statements.

**Notes** *(forming part of the financial statements)*

1 The Old Etonian Trust is a charitable company limited by guarantee. The individual liability of the company's ten members, comprising all the Council Members, is limited to £1. For Companies Act purposes the Council Members are directors of the company.

## 2 ACCOUNTING POLICIES

### (a) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

Following the fall in the value of the Charity's investments earlier in the year as a result of the Covid-19 pandemic, the overall value of investments has returned to around the same levels as the end of 2019. The Council considers there remains a risk that the value of investments together with investment income will continue to be volatile. While the committed bursaries may not be fully funded by future investment income, the Charity has increased its cash holdings through the sale of investments to provide immediate liquidity for funding future commitments. In addition, the investment assets are still very substantially larger than those commitments. The Trustees will continue to review the level of future commitments in the light of the ongoing impact on the investment portfolio and the expected income. As a result, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

### (b) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of

the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

**(c) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the heading of "Total expenditure", which includes grants made, governance costs and an apportionment of support costs.

Grants and bursaries payable to third parties are within the charitable objectives. Bursaries and grants payable are charged to expenditure in the year in which they are awarded and notified to the recipient, on the basis that they constitute a constructive obligation to the Charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

**(d) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligator can be measured as estimated reliability. Creditors are recognised at their settlement amount. Long term creditors, being bursaries are discounted using the investment return to the charity as discount factor.

**(e) Investment Fixed Assets**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

Realised investment gains and losses are calculated as the difference between the market value at the date of sale and the original cost of the investment. Unrealised investment gains and losses are calculated as the difference between the market value at 31 December 2020 and the market value at 31 December 2019, or the value on date of purchase if later. Unrealised gains and losses are adjusted for any previously unrealised gains or losses that are realised during the year.

Investments are held in single overall 'unitised' holding within the General Fund, with each fund's holding of the investment portfolio included in its interfund account. The value in each fund is updated annually based on each fund's share of the overall value of investments portfolio.

**(f) Funds**

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide, whereas restricted funds represent funds given for a particular purpose.

All covenanted income and donations are applied to the accumulated fund via the capital account. Bursaries may continue to be paid in the future out of the income from the accumulated fund, without the need for further fund raising. These payments do not prejudice the Trustees' discretion to spend the accumulated fund for the objects of the Charity.

**(g) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (being their cost) with the exception of investments which are measured at market value. The historical cost of investments and the unrealised gain is disclosed in note 7.

## 3 EXPENSES

The charity made a contribution to the Secretary, who is a Member of the Council, of £500 (2019: £1,299) towards expenses incurred, as permitted by the Articles of Association. Members of the Council receive no remuneration for their services and have not been reimbursed for any expenses (2019: £nil).

## 4 SUPPORT COSTS: OTHER

| | **2020** | 2019 |
|---|---|---|
| | **£** | £ |
| Audit fees | **5,860** | 4,530 |
| Bank charges | **490** | 467 |
| Contribution to secretary expenses | **500** | 1,299 |
| | **6,850** | 6,296 |

## 5 STATEMENT OF FUNDS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund (Other) | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2020 | **26,296** | **5,144,284** | **218,684** | **2,947,155** | **8,336,419** | **20,310** | **6,718,557** | **6,738,867** | **15,075,286** |
| Income | **1,666** | **134,402** | **5,207** | **74,965** | **216,240** | **-** | **181,235** | **181,235** | **397,475** |
| Expenditure | **(1,790)** | **(401,689)** | **(1,199)** | **(126,889)** | **(531,567)** | **-** | **(311,937)** | **(311,937)** | **(843,504)** |
| Transfer between funds | **-** | **20,310** | **-** | **-** | **20,310** | **(20,310)** | **-** | **(20,310)** | **-** |
| Investment gains / (losses) | **(48)** | **(9,769)** | **(378)** | **(5,449)** | **(15,644)** | **-** | **(12,811)** | **(12,811)** | **(28,455)** |
| Net assets at 31 December 2020 | **26,124** | **4,887,538** | **222,314** | **2,889,782** | **8,025,758** | **-** | **6,575,044** | **6,554,734** | **14,600,802** |

The purpose of each fund is described in the Council's report on page 3 to 5.

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund (Other) | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Net assets at 1 January 2019 | 23,036 | 4,500,588 | 195,895 | 2,525,332 | 7,244,851 | 18,070 | 5,578,590 | 5,596,660 | 12,841,511 |
| Income | 1,565 | 122,607 | 4,408 | 67,738 | 196,318 | 330 | 156,987 | 157,317 | 353,635 |
| Expenditure | (1,773) | (232,481) | (8,710) | (62,253) | (305,217) | (41) | 18,098 | 18,057 | (287,160) |
| Investment gains / (losses) | 3,468 | 753,570 | 27,091 | 416,338 | 1,200,467 | 1,951 | 964,882 | 966,833 | 2,167,300 |
| Net assets at 31 December 2019 | 26,296 | 5,144,284 | 218,684 | 2,947,155 | 8,336,419 | 20,310 | 6,718,557 | 6,738,867 | 15,075,286 |

## 6 ANALYSIS OF NET ASSETS

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2020** | | | | | | | | | |
| Investments | - | - | - | - | - | **15,143,659** | - | **15,143,659** | **15,143,659** |
| Current assets | - | - | - | - | - | **1,238,671** | - | **1,238,671** | **1,238,671** |
| Current liabilities | **(1,700)** | **(152,985)** | **(500)** | **(58,122)** | **(213,307)** | **(4,001)** | **(198,529)** | **(202,530)** | **(415,837)** |
| Interfund balances | **27,824** | **5,611,782** | **222,814** | **3,148,797** | **9,011,217** | **(16,378,329)** | **7,367,112** | **(9,011,217)** | - |
| Long term liabilities | - | **(571,259)** | - | **(200,893)** | **(772,152)** | - | **(593,539)** | **(593,539)** | **(1,365,691)** |
| Total net assets | **26,124** | **4,887,538** | **222,314** | **2,889,782** | **8,025,758** | - | **6,575,044** | **6,575,044** | **14,600,802** |

| | Restricted | | | | | Unrestricted | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rowlatt Fund | War Memorial Bursary Fund | HK Marsden Memorial Fund | Hornby Steer Fund | Total restricted funds | General Fund | Henry VI Fund | Total unrestricted funds | Total funds |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| **At 31 December 2019** | | | | | | | | | |
| Investments | - | - | - | - | - | 15,973,302 | - | 15,973,302 | 15,973,302 |
| Current assets | - | - | - | - | - | 476,292 | - | 476,292 | 476,292 |
| Current liabilities | (1,700) | (159,352) | - | (69,365) | (230,417) | (3,001) | (208,631) | (211,632) | (442,049) |
| Interfund balances | 27,996 | 5,624,657 | 218,684 | 3,149,319 | 9,020,656 | (16,426,283) | 7,405,627 | (9,020,656) | - |
| Long term liabilities | - | (321,021) | - | (132,799) | (453,820) | - | (478,439) | (478,439) | (932,259) |
| Total net assets | 26,296 | 5,144,284 | 218,684 | 2,947,155 | 8,336,419 | 20,310 | 6,718,557 | 6,738,867 | 15,075,286 |

## 7 LISTED INVESTMENTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| AVI Global Trust (formerly British Empire Trust) | **930,510** | 820,790 |
| Aurora Investment Trust | **-** | 260,700 |
| CG Portfolio Fund | **833,292** | 791,327 |
| Caledonia Investments | **737,280** | 801,280 |
| Diverse Income Trust | **244,406** | 235,519 |
| Edinburgh Investment Trust | **1,084,411** | 1,243,299 |
| Evenlode Global Income F | **905,158** | 891,361 |
| Fundsmith LLP Equity T Inc NAV | **1,013,283** | 859,957 |
| Herald Investment Trust | **418,693** | 276,020 |
| Heronbridge | **1,533,134** | 1,690,987 |
| Law Debenture Corp | **875,610** | 824,850 |
| London Metric Property | **-** | 270,138 |
| Miton Global Opportunties | **251,065** | 233,373 |
| Personal Assets Trust | **1,707,428** | 1,602,007 |
| Rothschild Investment Trust | **1,515,916** | 1,552,621 |
| Sarasin Endowments | **1,771,361** | 1,668,996 |
| Sarasin Income and Reserves | **-** | 402,502 |
| Troy Income & Growth Trust | **1,322,112** | 1,547,575 |
| | **15,143,659** | 15,973,302 |
| Historical cost | **12,742,697** | 13,593,367 |
| Excess of market value over historical cost | **2,400,962** | 2,379,935 |

The movements in listed investments may be summarised as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Market value at 1 January | **15,973,302** | 14,083,624 |
| Sales during the year | **(801,188)** | (5,948,139) |
| Purchases during the year | **-** | 5,670,517 |
| Net gains/(losses) during the year | **(28,455)** | 2,167,300 |
| Market value at 31 December | **15,143,659** | 15,973,302 |
| Cost at 31 December | **12,742,697** | 13,593,367 |

All investments are carried at their fair value

## 8. INVESTMENT INCOME

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Dividends - equities | **391,045** | 351,573 |

## 9. CREDITORS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Amounts falling due within one year** | | |
| Bursaries and grants awarded (note 10) | **410,136** | 437,348 |
| Audit fee | **4,000** | 3,000 |
| Rowlatt income due to Eton | **1,700** | 1,700 |
| Amount due to The Henry VI Charity | **1** | 1 |
| | **415,837** | 442,049 |
| **Amounts falling due after more than one year** | | |
| Bursaries and grants awarded (note 10) | **1,365,691** | 932,259 |

## 10. BURSARIES AND GRANTS AWARDED – CURRENT YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Hornby Steer Fund | Henry VI Fund | 2020 Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Bursaries awarded during the year | 403,803 | 500 | 122,358 | 417,921 | 944,582 |
| Bursaries withdrawn during the year | | - | | (119,706) | (119,706) |
| Discount of new bursaries | (28,625) | - | (9,009) | (22,459) | (60,093) |
| Net bursaries awarded during the year | 375,178 | 500 | 113,349 | 275,756 | 764,783 |
| Unwinding of discount | 8,475 | - | 3,479 | 12,532 | 24,486 |
| Bursaries paid during the year | (139,782) | - | (59,977) | (183,290) | (383,049) |
| Net increase / (decrease) during year in bursaries awarded but not paid | 243,871 | 500 | 56,851 | 104,998 | 406,220 |
| Bursaries awarded but not paid at 1 January | 480,373 | - | 202,164 | 687,070 | 1,369,607 |
| Bursaries awarded but not paid at 31 December | 724,244 | 500 | 259,015 | 792,068 | 1,775,827 |
| Bursaries due within one year | 152,985 | 500 | 58,122 | 198,529 | 410,136 |
| Bursaries due to be paid after more than one year | 571,259 | - | 200,893 | 593,539 | 1,365,691 |
| Total bursaries due | 724,244 | 500 | 259,015 | 792,068 | 1,775,827 |

Bursaries are awarded to individuals to support payment of education fees at schools outside the maintained sector. For the War Memorial Bursary Fund, three new bursaries were awarded and there are currently six bursaries in operation. For the Hornby Steer Fund, one new bursary was awarded during the year and there are currently three bursaries in operation. For the H K Marsden Fund, four travel grants were awarded during the year. For the Henry VI Fund, Four bursaries were awarded, one was withdrawn and there are currently six bursaries in operation.

## 10. BURSARIES AND GRANTS AWARDED – PRIOR YEAR

| | War Memorial Bursary Fund | H K Marsden Fund | Aird Fund | Hornby Steer Fund | Henry VI Fund | 2019 Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | | £ |
| Bursaries awarded during the year | 246,578 | 8,136 | 49,737 | 352,077 | 656,528 | 246,578 |
| Bursaries withdrawn during the year | (34,386) | - | - | (422,792) | (457,178) | (34,386) |
| Discount of new bursaries | (6,172) | - | (1,730) | 6,444 | (1,458) | (6,172) |
| Net bursaries awarded during the year | 206,020 | 8,136 | 48,007 | (64,271) | 197,892 | 206,020 |
| Transferred from The Henry VI Charity | | | | | | |
| Unwinding of discount | 10,512 | - | 5,434 | 24,405 | 40,351 | 10,512 |
| Bursaries paid during the year | (150,021) | (8,136) | (76,368) | (202,211) | (436,736) | (150,021) |
| Net increase / (decrease) during year in bursaries awarded but not paid | 66,511 | - | (22,927) | (242,077) | (198,493) | 66,511 |
| Bursaries awarded but not paid at 1 January | 413,862 | - | 225,091 | 929,147 | 1,568,100 | 413,862 |
| Bursaries awarded but not paid at 31 December | 480,373 | - | 202,164 | 687,070 | 1,369,607 | 480,373 |
| Bursaries due within one year | 159,352 | - | 69,365 | 208,631 | 437,348 | 159,352 |
| Bursaries due to be paid after more than one year | 321,021 | - | 132,799 | 478,439 | 932,259 | 321,021 |
| Total bursaries due | 480,373 | - | 202,164 | 687,070 | 1,369,607 | 480,373 |

## 11. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2019

| | *Note* | 2019 Restricted £ | 2019 Unrestricted £ | 2019 Total £ | 2018 Total £ |
|---|---|---|---|---|---|
| **Income and endowments from:** | | | | | |
| Legacies received | | - | - | - | 1,000 |
| Donations received | | 1,000 | 13 | 1,013 | 1,013 |
| Transfer from The Henry VI Charity | | - | - | - | 6,241,554 |
| Investments: | | | | | |
| Investment income | 7 | 194,737 | 156,836 | 351,573 | 307,100 |
| Interest receivable | | 581 | 468 | 1,049 | 264 |
| **Total income** | 5 | 196,318 | 157,317 | 353,635 | 6,550,931 |
| **Total expenditure:** | | | | | |
| Bursaries awarded | 10 | (262,163) | 64,271 | (197,892) | (148,362) |
| Unwinding of discount | | (15,946) | (24,405) | (40,351) | (17,232) |
| Grants to Eton | | (1,700) | - | (1,700) | (1,741) |
| Support costs: investment management fees | | (22,666) | (18,255) | (40,921) | (14,135) |
| Support costs: other | | (2,742) | (3,554) | (6,296) | (10,374) |
| **Total expenditure** | | (305,217) | 18,057 | (287,160) | (191,844) |
| **Net income / (expenditure) before gains and losses on investments** | | (108,899) | 175,374 | 66,475 | 6,359,087 |
| Net gains / (losses) on investments | 4 | 1,200,467 | 966,833 | 2,167,300 | (1,378,819) |
| **Net income for the year being net movement in funds** | | 1,091,568 | 1,142,207 | 2,233,775 | 4,980,268 |
| **Total Fund balances brought forward** | | 7,244,851 | 5,596,660 | 12,841,511 | 7,861,243 |
| **Total Fund balances carried forward** | | 8,336,419 | 6,738,867 | 15,075,286 | 12,841,511 |

## 12. RELATED PARTY TRANSACTIONS

The Charity's investments are administered by Smith & Williamson, which charged custody fees of £45,685 (2019: £40,921) that are included in the Statement of Financial Activities. A Trustee, Mr PAD Inkin, is a partner of Smith & Williamson LLP.

In addition, the Charity recognised student bursaries of £790,969 (2019: £239,943) payable to Eton College. The balance payable to Eton College at the year end was £1,767,757 (2019: £1,349,432). The Trustees Lord Waldegrave of North Hill and Dr Andrew Gailey are Provost and Vice-Provost of Eton College.

Other than those noted above and in note 3, no other related party transactions took place in the year ended 31 December 2020.