

THE SCS TRUST

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2021

Charity number: 1184007

THE SCS TRUST

I N D E X

Year ended 31 December 2021

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THE SCS TRUST

GENERAL INFORMATION

Year ended 31 December 2021

Established by deed	17 August 2017
Charity number	1184007
Trustees	S C Swire C J D Todhunter The Hon. R W R T Stonor Power to appoint new Trustees was vested in the settlor during his lifetime and thereafter in the Trustees under their statutory powers.
Settlor	S C Swire
Trust fund	£10, further settlements, accumulation of income, capital accretion or otherwise and all property representing the same.
Objects	Such exclusively charitable purposes for the benefit of the public as the Trustees shall in their discretion think fit.
Accumulation	During the period 21 years from the date of the Trust Deed, the Trustees have power to accumulate the whole or any part of the income of the Trust Fund.
Investments	The Trustees have powers of investment as if absolutely entitled to the Trust Fund beneficially, including a power to invest surplus income.
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Auditor	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS
Address	Swire House 59 Buckingham Gate London SW1E 6AJ

THE SCS TRUST

REPORT OF THE TRUSTEES

Year ended 31 December 2021

The Trustees present their report and financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). This report should be read in conjunction with the information on page 2.

Structure, governance and management

The SCS Trust is an unincorporated charity, constructed under a Trust deed dated 17 August 2017 and is a registered charity, number 1184007.

The power to appoint new Trustees is vested in the Settlor during his lifetime. Responsibility for the induction of any new Trustee, which involves awareness of the history and approach of the charity and an understanding of a Trustee's duties, lies with the Trustees. A new Trustee would receive copies of the previous year's accounts.

At the Trustees' meeting, the Trustees agree the strategy of the Trust, including consideration of donation making, investments, reserves and risk management policies. The day to day administration of the charity is carried out by John Swire & Sons Limited. The major risks to which the Trust may be exposed, as identified by the Trustees, have been reviewed to confirm that systems, where appropriate, exist to mitigate those risks.

Grant making policy

The Trustees meet to consider what grants/donations they will make and to review any feedback they have received.

Although the Trustees make some grants with no formal applications, they normally require organisations to submit a request explaining how the funds could be used and what would be achieved.

Objectives, activities and achievements for the public benefit

The objective of the Trust is to provide donations and grants to charities in the United Kingdom and elsewhere.

In the year ended 31 December 2021, the Trust made donations and grants totalling £375,000 (2020 - £34,000).

The Trustees intend to continue to provide support to their chosen charitable causes.

The Trustees, having regard to the public benefit guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in the section 4 of the same Act.

Investment policy

The Trustees' principal resources arise from donations to the Trust. The Trustees maintain a cash balance in order to provide a fund to meet grants and donations which they wish to make in excess of donations received in any particular year.

In this regard the Trustees have noted the statutory duty of care required by the Trustee Act 2000, in relation to their holding suitable investments and the need for diversification of investments so far as is appropriate to the circumstances of the Trust.

The Trustees' overall investment objective is to achieve a level of investment income growth which at least matches the rate of inflation, while protecting the value of the charity's capital in real terms.

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REPORT OF THE TRUSTEES

Year ended 31 December 2021

Financial review

The investments held in the portfolio with Newton have performed favourably during the year, with the market value of the investments increasing by 17.0%. During the year funds were added such that the overall increase in the portfolio was 28.6%.

At the year end the balance on the unrestricted fund was £147,215 (2020 - £35,888). Donations received in the year of £406,250 (2020 - £1,250,000) were to the expendable endowment funds in order to build a sufficient capital from which income will be generated to make donations for many years to come. Dividends of £122,190 were received in the year (2020 - £76,550).

Under the governing document, the Trustees have the power to convert the expendable endowment funds to unrestricted funds and the Trustees transferred £nil (2020 - £26,061) to cover the deficit arising in the prior year.

Reserves policy

The Trust was created in August 2017 and provides the Trustees with wide powers of discretion to distribute the donations and other income of the Trust fund for charitable purposes as the Trustees determine. It has been the Settlor's and Trustees' intention that the Trust fund should be able to grow during the accumulation period with the help of accumulation of income. Once income is accumulated, it becomes an addition to the Trust's capital.

The Trustees discussed the need for reserves, and concluded that no reserves need to be retained whilst the power to accumulate income remains available.

Key management personnel remuneration

The Trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and operating the charity on a day-to-day basis. All Trustees give their time freely and no Trustee remuneration or expense reimbursements were paid in the year.

Risk management

The principal risks faced by the charity lie in the performance of the investments and risks from ineffective grant making. The variability of investment returns is the charity's major financial risk. It mitigates this risk by retaining expert investment advisors and having a diversified investment portfolio. The risk from ineffective grant-making is mitigated by carrying out research on charitable institutions to establish whether potential donations will be used effectively and in furtherance of this charity's own objectives.

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REPORT OF THE TRUSTEES

Year ended 31 December 2021

Trustees' responsibilities in relation to the financial statements

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

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

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



S C SWIRE
For the Trustees

26. 10. 2022

THE SCS TRUST

AUDITORS' REPORT

Year ended 31 December 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SCS SWIRE CHARITABLE TRUST

Opinion

We have audited the financial statements of The SCS Trust (the 'charity') for the year ended 31 December 2021, which comprise the statement of financial activities, 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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AUDITORS' REPORT

Year ended 31 December 2021

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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AUDITORS' REPORT

Year ended 31 December 2021

We gained an understanding of the legal and regulatory framework applicable to the charity by considering, amongst other things, the sector in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to the UK Charity Law.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Other matters

The corresponding information in respect of the year ended 31 December 2020 presented in these financial statements is unaudited.



Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

Date: 28 October 2022

Dixon Wilson Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE SCS TRUST

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2021

		Unrestricted Fund £	Restricted Funds £	Endowment Fund £	2021 Total £	2020 Total £
	Note					
Income and endowments from:						
Investment income	2	122,190	-	-	122,190	76,651
Donations and legacies	3	-	375,000	406,250	781,250	1,250,000
Bank interest received		8	-	-	8	-
Total incoming resources		<u>122,198</u>	<u>375,000</u>	<u>406,250</u>	<u>903,448</u>	<u>1,326,651</u>
Expenditure on:						
Charitable activities	4	10,871	375,000	-	385,871	40,763
Total expenditure		<u>10,871</u>	<u>375,000</u>	<u>-</u>	<u>385,871</u>	<u>40,763</u>
Net gains on investment assets	5	-	-	846,654	846,654	44,957
Net income		<u>111,327</u>	<u>-</u>	<u>1,252,904</u>	<u>1,364,231</u>	<u>1,330,845</u>
Transfer between funds		-	-	-	-	-
Net movement in funds		<u>111,327</u>	<u>-</u>	<u>1,252,904</u>	<u>1,364,231</u>	<u>1,330,845</u>
Reconciliation of funds:						
Fund balance brought forward at 1 January 2021		35,888	-	5,061,103	5,096,991	3,766,146
Fund balance carried forward at 31 December 2021		<u>147,215</u>	<u>-</u>	<u>6,314,007</u>	<u>6,461,222</u>	<u>5,096,991</u>

All amounts are in respect of continuing activities.

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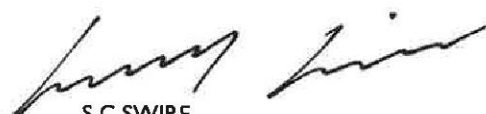
BALANCE SHEET

At 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Investments	5		<u>6,444,809</u>		<u>5,069,715</u>
Current assets					
Cash at bank and in hand		<u>28,643</u>		<u>34,449</u>	
Liabilities					
Creditors: Amounts falling due within one year	6	<u>(12,230)</u>		<u>(7,173)</u>	
Net current assets			<u>16,413</u>		<u>27,276</u>
Total assets less current liabilities			<u>6,461,222</u>		<u>5,096,991</u>
Net assets			<u>6,461,222</u>		<u>5,096,991</u>
The funds of the charity:					
Expendable endowment fund			<u>6,314,007</u>		<u>5,061,103</u>
Unrestricted fund			<u>147,215</u>		<u>35,888</u>
			<u>6,461,222</u>		<u>5,096,991</u>

The financial statements on pages 9 to 15 were approved by the board of trustees on
were signed on its behalf by:-

2022 and


S C SWIRE
Trustee

THE SCS TRUST**STATEMENT OF CASH FLOWS****Year ended 31 December 2021**

	Note	2021 Total £	2020 Total £
Net cash provided by operating activities	8	400,436	1,932,560
<i>Cash flows from investing activities:</i>			
Interest received		8	101
Purchase of investments		(406,250)	(1,998,501)
Net cash (used in)/provided by investing activities		<u>(5,806)</u>	<u>(65,840)</u>
Change in cash and cash equivalents		(5,806)	(65,840)
Cash and cash equivalents brought forward		34,449	100,289
Cash and cash equivalents carried forward		<u>28,643</u>	<u>34,449</u>

THE SCS TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historic cost convention, with the exception that investments are included at market value. 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 UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011.

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

The financial statements are presented in Sterling which is the functional currency of the trust and rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. There are no significant areas of adjustment and key assumptions that affect items in the accounts. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the risk management section of the Trustees' annual report for more information).

(b) Funds structure

The charity has an endowment fund created by a gift. The income of this Trust is unrestricted. The terms of the endowment allow the capital of the fund to be spent if the Trustees so determine.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds comprise those that are held on specific trust declared by the donor and for use only in furtherance of that specific purpose.

(c) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Gift Aid receivable is included in income when there is a valid declaration from the donor. Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and the notification has been received of the dividend due.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. This is accrued once the recipient has been notified of the grant award.

(e) Support and governance costs

The Charity does not incur support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. Governance costs relate to charitable activities.

THE SCS TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

(f) Fixed asset investments

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 market 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 within particular sectors or sub sectors.

(g) Realised gains and losses

All gains and losses are included net in the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2. Investment Income	2021 £	2020 £
Dividend income received	122,190	76,550
Bank interest received	8	101
	<u>122,198</u>	<u>76,651</u>

Investment income is attributable to the unrestricted fund in both years.

3. Donations and Legacies	2021 £	2020 £
Donations	781,250	1,250,000
	<u>781,250</u>	<u>1,250,000</u>

Donation income of £375,000 is attributable to the restricted fund in the current year (2020 - £nil) and donation income of £406,250 is attributable to the endowment fund (2020 - £1,250,000).

THE SCS TRUST**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2021****4. Analysis of expenditure on charitable activities**

The charity did not undertake any activity directly by met its charitable purposes by making donations and grants.

	2021 £	2020 £
<i>Grants made to charitable institutions</i>		
Glyndebourne Productions Ltd	375,000	-
De Havilland Aircraft Museum	-	3,000
Kids on Track	-	7,500
The Trussell Trust	-	10,000
The Woodland Trust	-	3,000
Watlington Hospital Charitable Trust	-	7,500
St Peter's Church, Hammersmith	-	3,000
	<u>375,000</u>	<u>34,000</u>
<i>Governance costs allocated to charitable activities:</i>		
Consultancy costs	9,845	5,755
Independent examiner's fees	966	918
Bank charges	60	90
Total expenditure on charitable activities	<u>385,871</u>	<u>40,763</u>

Expenditure on charitable activities, £10,871 (2020 - £40,763) was attributable to the unrestricted fund and £375,000 (2020 - £nil) was attributable to the restricted fund.

5. Fixed asset investments

	2021 £	2020 £
Quoted investments		
Market value at start of year	5,069,715	2,949,707
Additions	406,250	1,998,501
Accumulation dividends reinvested	122,190	76,550
Net unrealised gains on investment assets	846,654	44,957
Market value at end of year	<u>6,444,809</u>	<u>5,069,715</u>

The historical cost of investments at 31 December 2021 was £5,503,491 (2020 - £4,975,051). The investment is in Newton Growth and Income Fund for Charities. Net unrealised gains on investment assets were attributable to the endowment fund.

6. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	12,230	7,173
	<u>12,230</u>	<u>7,173</u>

THE SCS TRUST**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2021****7. Analysis of net assets between funds**

	Unrestricted Income funds £	Expendable Endowment funds £	Total 2021 £
Fund balances as at 31 December 2021 are represented by:			
Cash and Debtors	-	442,938	442,938
Creditors	(426,525)	-	(426,525)
	(426,525)	442,938	16,413
Investments	198,740	6,246,069	6,444,809
	<u>(227,785)</u>	<u>6,689,007</u>	<u>6,461,222</u>

8. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	1,364,231	1,330,845
Deduct gains on investments	(846,654)	(44,957)
Deduct income from investments	(122,198)	(76,651)
Increase/(decrease) In creditors	5,057	(25,177)
(Increase)/decrease in debtors	-	748,500
Net cash provided by operating activities	<u>400,436</u>	<u>1,932,560</u>

9. Related party transactions

During the year, the aggregate donations, before gift aid, received from trustees without conditions were £250,000 (2020 - £1,000,000) and £375,000 (2020 - £nil) with conditions.

The trustees received no emoluments or reimbursement of expenses for their services (2020 - none).

10. Non-adjusting post balance sheet events

As at 20 October 2022, the market value of investments had decreased by £604,073. In accordance with Financial Reporting Standard 102 and Accounting and Reporting by Charities: Statement of Recommended Practice, the decrease in market value is a non-adjusting post-balance sheet event and therefore no adjustment to carrying value of investments has been made in the financial statements.