

Charity number 292391

The EAC Educational Trust
Trustees' Report and Accounts

5 April 2023

**The EAC Educational Trust
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The EAC Educational Trust**Reference and Administration Details****Trustees**

Mr F W Murison - Chair

Mr J M Bewick

Mr C Rogers

Mr C J Stafford

Mr D M Valentine

Independent Examiner

Mr Reza Samii

Reza Samii Chartered Accountant & Statutory Auditor

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Bankers

Cater Allen Private Bank

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Investment managers

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Charity registered number

292391

The EAC Educational Trust
Trustees' Report
for the year ended 5 April 2023

The Trustees present their report and accounts for the year ended 5 April 2023.

The Trustees confirm that the Annual Report and accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, The Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard FRS 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, governance and management

The charity was set up by a trust deed dated 17 July 1985.

The Trustees are highly experienced individuals and have a good understanding of what is involved in being a trustee of a charity.

The Trustees have regular contact during the year to consider recommendations for, and make final decisions on, the awarding of grants.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the investment strategy. They are satisfied that adequate procedures are in place to mitigate exposure to these risks, although it is recognised that systems can only provide reasonable, not absolute, assurance.

The Trustees have identified the following risks:

1. Investments will drop in value - the Trustees have appointed a professional firm to manage the investments. The trust fund is invested with the objective of securing income and capital growth. In view of the Trustees' power to distribute capital, they will look at the total return on the portfolio when considering their ability to make grants
2. Donations made will not be spent as the Trustees would like - Where appropriate the Trustees will seek confirmation that a donation has been appropriately applied by the donee.

Objectives and activities for the public benefit

The Trustees have power to apply the trust fund and income thereof for such charitable purposes or to pay the same to such charitable bodies, associations or institutions as the trustees shall from time to time in their absolute discretion determine. The Trustees have reviewed their policy of distributions to charities and decided that, subject to annual review, it would be their intention to distribute the income and additional amounts from net realised capital appreciations.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The principal activity of the charity is the making of grants to relieve poverty and to advance education for the benefit of the public and particularly amongst the families of clergy of the Church of England, single parent families or other poor families.

The EAC Educational Trust
Trustees' Report
for the year ended 5 April 2023

Financial Review

The net expenditure before investment gains and losses for the year to 5 April 2023 was £84,882 (2022 net income: £2,827,170, including a legacy of £2,897,308). The investment management costs in the year amounted to £21,134 (2022: £14,415).

The financial statements show the investments at market value. The loss on disposals of investments is based on their opening market value and resulted in a realised loss of £74,668 for the year ended 5 April 2023 (2022 loss: £3,731). At the year end the unrealised net loss amounted to £263,324 (2022 loss: £41,091)

Investment policy

The Trustees aim to preserve a balance between achieving modest growth in the Trust's investments and producing income adequate to maintain the desired level of grant-making. When necessary, investment units designed for growth will be sold to provide income above the level produced by income units.

Reserves policy

The Trustees do not consider that there is a need to maintain a specific level of reserves to achieve the objectives of the charity other than to meet future commitments. Their policy is to distribute, on a regular basis, the whole of the net income together with a part of the net realised investment gains whether arising in the current or prior years.

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts 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 at any time, and to enable the trustees 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 charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities

This report was approved by the Trustees on 15 December 2023



Mr D M Valentine
Trustee

The EAC Educational Trust

Statement of Financial Activities
for the year ended 5 April 2023

		Year ended 5 April 2023			Year ended 5 April 2022		
	Notes	Expendable Endowment Fund £	General Fund £	Unrestricted Total 2023 £	Expendable Endowment Fund £	General Fund £	Unrestricted Total 2022 £
Income from:							
Donations and legacies							
- Legacy received		-	-	-	2,897,308	-	2,897,308
Investments							
- Investment income	2	-	76,072	76,072	-	13,942	13,942
Total income		-	76,072	76,072	2,897,308	13,942	2,911,250
Expenditure on:							
Raising funds							
- investment management fees		21,134	-	21,134	14,415	-	14,415
Charitable activities							
- grants payable	6	-	128,200	128,200	-	59,950	59,950
- governance costs	4	-	11,620	11,620	-	9,715	9,715
Total expenditure		21,134	139,820	160,954	14,415	69,665	84,080
Net expenditure before gains and losses on investment assets		(21,134)	(63,748)	(84,882)	2,882,893	(55,723)	2,827,170
Net (losses)/gains on investment assets		(337,992)	-	(337,992)	(44,822)	-	(44,822)
Net (expenditure)/income		(359,126)	(63,748)	(422,874)	2,838,071	(55,723)	2,782,348
Transfers							
Transfers between funds		(63,748)	63,748	-	(55,723)	55,723	-
Net movement in funds		(422,874)	-	(422,874)	2,782,348	-	2,782,348
Reconciliation of Funds							
Total Funds at 6 April 2022		3,401,889	-	3,401,889	619,541	-	619,541
Total Funds at 5 April 2023		2,979,015	-	2,979,015	3,401,889	-	3,401,889

The Notes to the Accounts form part of the Financial Statements

The EAC Educational Trust

Balance Sheet as at 5 April 2023

	Notes	2023	2022
		£	£
Fixed assets			
Investments			
- Listed investments	7	2,777,470	3,269,070
- Cash held within portfolio		<u>204,154</u>	<u>111,055</u>
		2,981,624	3,380,125
Current assets			
Cash at bank	8	<u>16,961</u>	<u>33,632</u>
		16,961	33,632
Creditors: amounts falling due within one year	9	(19,570)	(11,868)
Net current (liabilities)/assets		<u>(2,609)</u>	<u>21,764</u>
Net assets		<u>2,979,015</u>	<u>3,401,889</u>
Represented by:			
Unrestricted Funds			
Expendable Endowment Fund		2,979,015	3,401,889
General Fund		-	-
Total Funds	10	<u>2,979,015</u>	<u>3,401,889</u>

Approved by the Trustees on 15 December 2023



Mr D M Valentine
Trustee

The Notes to the Accounts form part of the Financial Statements

The EAC Educational Trust

Notes to the Accounts for the year ended 5 April 2023

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts 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 (FRS102) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are presented in sterling and are rounded to the nearest pound.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

The Unrestricted General Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Income arising on the Expendable Endowment Fund can be used in accordance with the charity's objectives and is allocated to the Unrestricted General Fund as unrestricted income. Additional amounts from net realised capital appreciations arising on the Expendable Endowment Fund can be used in accordance with the Charity's objectives.

Income

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

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure

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.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The costs of raising funds consist of investment management fees.

The expenditure on charitable activities includes grants payable and support and governance costs.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

The EAC Educational Trust

Notes to the Accounts for the year ended 5 April 2023

All gains and losses are taken to 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 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	2023	2022
		£	£
	Interest received		
	Cater Allen	-	-
	Canaccord Genuity	1,222	-
	Quoted investment income	74,850	13,942
		<u>76,072</u>	<u>13,942</u>
3	Expenditure on charitable activities	2023	2022
		£	£
	Grants payable (see note 6)	128,200	59,950
	Support and governance costs (see note 4)	11,620	9,715
		<u>139,820</u>	<u>69,665</u>
4	Support and governance costs	2023	2022
		£	£
	Support costs		
	Bank charges	-	25
	Governance costs		
	Accountancy	6,820	6,090
	Independent examination	1,200	-
	Legal	3,600	3,600
		<u>11,620</u>	<u>9,690</u>
	Total	<u>11,620</u>	<u>9,715</u>
5	Staff costs, Trustees remuneration and expenses		
	The charity has no employees.		
	During the year, no Trustee received any remuneration or benefits in kind (2022: £nil). No trustees received reimbursement of expenses in the year (2022: £nil)		

The EAC Educational Trust

Notes to the Accounts for the year ended 5 April 2023

6 Grants payable

	2023	2022
	£	£
Dean Close School	25,333	16,666
Hereford Cathedral School	28,267	(3,516)
Kingham Hill School	9,400	7,000
Monkton Combe School	48,867	26,100
Prior Park College	3,000	3,000
Shiplake College	13,333	10,000
St Leonards School	-	700
	<u>128,200</u>	<u>59,950</u>

The grants paid relate to support for 20 students (2022: 10 students)

7 Investments

	2023	2022
	£	£
Market value		
At 6 April 2022	3,269,070	596,704
Additions at cost	664,788	2,894,967
Disposals at carrying value	(893,064)	(181,510)
Net (loss)/gain on revaluation	(263,324)	(41,091)
At 5 April 2023	<u>2,777,470</u>	<u>3,269,070</u>
Historical cost	<u>3,020,284</u>	<u>3,164,414</u>

Listed investments at fair value comprised:

	2023	2022
	£	£
UK government stock	-	81,153
Other debt & fixed interest	856,907	656,852
UK equities	498,094	737,439
International equities	1,200,459	1,496,952
Alternative investments	222,010	296,674
	<u>2,777,470</u>	<u>3,269,070</u>

8 Cash balances

	2023	2022
	£	£
Cater Allen Private Bank	16,961	33,632
	<u>16,961</u>	<u>33,632</u>

9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Grants payable	-	-
Accruals	19,570	11,868
	<u>19,570</u>	<u>11,868</u>

The EAC Educational Trust

Notes to the Accounts for the year ended 5 April 2023

10 Analysis of Net Assets Between Funds

	Expendable Endowment Fund £	General Fund £	Total 2023 £
Fixed assets investments	2,981,624	-	2,981,624
Cash at bank	-	16,961	16,961
Other current assets	(2,609)	(16,961)	(19,570)
At 5 April 2023	<u>2,979,015</u>	<u>-</u>	<u>2,979,015</u>
	Expendable Endowment Fund £	General Fund £	Total 2022 £
Fixed assets investments	3,380,125	-	3,380,125
Cash at bank	-	33,632	33,632
Other current assets	21,764	(33,632)	(11,868)
At 5 April 2022	<u>3,401,889</u>	<u>-</u>	<u>3,401,889</u>

11 Related Party Transactions

Mr D M Valentine has an interest in and is a director of Begbies Chettle Agar Ltd, accountants to the trustees. The firm charges for administering the trust's affairs at the usual trust rate. The amounts charged are shown in note 4.

12 Contingent asset

The Trustees are the residuary beneficiary of an estate. An interim distribution of £2.897m was received in the year ended 5 April 2022. However the balance of the legacy cannot be measured or estimated with sufficient reliability.

13 Grant commitments

At 5 April 2023, the Trustees had potential multi-year grant commitments totalling £551,844 (2022: £588,660). These grants are subject to annual review by the Trustees, pending receipt from the schools, of satisfactory student performance.

The EAC Educational Trust
Independent Examiner's Report to the Trustees
for the year ended 5 April 2023

I report to the trustees on my examination of the accounts of The EAC Educational Trust (the charity) for the year ended 5 April 2023 which are set out on pages 4 to 9.

Responsibilities and basis of report

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or this report.

Reza Samii

Mr Reza Samii

Reza Samii Chartered Accountant & Statutory Auditor
 5 Calico Row
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 Battersea, London
 SW11 3YH

Date: 18th December 2023.