



CHARITY COMMISSION
FOR ENGLAND AND WALES

Trustees' Annual Report for the period

From Period start date 01/01/2024

To Period end date 31/12/2024

Charity name: Alsager Educational Foundation

Charity registration number: 525834

Objectives and Activities

	SORP reference	
Summary of the purposes of the charity as set out in its governing document	Para 1.17	To award grants and financial assistance for tools, equipment, books, clothing to enable beneficiaries on leaving school to prepare for or assist their entry into a trade or profession. To enable beneficiaries to travel abroad to pursue their education. To provide assistance for recreation and social and physical training including the provision of coaching in athletics, sports and games for those who are in education. The provision of financial assistance to enable beneficiaries to study music or other arts. Within the limits prescribed by this scheme, the Trustees shall have full power to make rules for the award of grants, or other benefits, including rules as to the value and period of tenure of the awards, and the qualifications, and method of ascertainment and selection of beneficiaries.
Summary of the main activities in relation to those purposes for the public benefit, in particular, the activities, projects or services identified in the accounts.	Para 1.17 and 1.19	The main activity is awarding financial grants to those in education in Alsager for individual, group and community projects in the grant criteria of the Alsager Educational Foundation.
Statement confirming whether the trustees have had regard to the guidance issued by the Charity Commission on public benefit	Para 1.18	The guidance is reviewed annually, it is provided to all new Trustees, and is sent out annually to all Trustees.

Additional information (optional)

You may choose to include further statements where relevant about:

	SORP reference	
Policy on grant making	Para 1.38	

Policy on social investment including program related investment	Para 1.38	
Contribution made by volunteers	Para 1.38	
Other		

Achievements and Performance

	SORP reference	
Summary of the main achievements of the charity, identifying the difference the charity's work has made to the circumstances of its beneficiaries and any wider benefits to society as a whole.	Para 1.20	The main achievements can be seen in the feedback provided to the Trustees in terms of written evaluations, photographs and accounts which show how the grants were used for the benefits gained by the recipients. The Guidelines for Consideration of Funding Requests item 2d requires recipients of the grants to provide reports following the activity. Specific examples from individuals, schools and community projects can be provided on request in the minutes of meetings.

Additional information (optional)

You may choose to include further statements where relevant about:

Achievements against objectives set	Para 1.41	
Performance of fundraising activities against objectives set	Para 1.41	

Investment performance against objectives	Para 1.41	
Other		

Financial Review

Review of the charity's financial position at the end of the period	Para 1.21	Representatives from 'Quilter Cheviot Investment Management' report on the investments of the charity. There are also quarterly updates which are sent to the Trustees. The position on 1 Jan 2025; total value = £773,907 Annual Estimate yield = 2.8%. Annual Estimate total return = 6.4%
Statement explaining the policy for holding reserves stating why they are held	Para 1.22	Reserves are held for the stewardship of the charity funds.
Amount of reserves held	Para 1.22	Jan 2025 reserves = £773,907
Reasons for holding zero reserves	Para 1.22	
Details of fund materially in deficit	Para 1.24	
Explanation of any uncertainties about the charity continuing as a going concern	Para 1.23	

Additional information (optional)

You may choose to include further statements where relevant about:

The charity's principal sources of funds (including any fundraising)	Para 1.47	
Investment policy and objectives including any social investment policy adopted	Para 1.46	
A description of the principal risks facing the charity	Para 1.46	
Other		

Structure, Governance and Management

Description of charity's trusts:		
Type of governing document (trust deed, royal charter)	Para 1.25	Charity Foundation Document
How is the charity constituted? (e.g unincorporated association, CIO)	Para 1.25	Alsager Education Foundation charity Foundation document. The charity
Trustee selection methods including details of any constitutional provisions e.g. election to post or name of any person or body entitled to appoint one or more trustees	Para 1.25	The body of Trustees shall, when complete, consist of fourteen persons, that is to say; One ex-officio Trustee, being the vicar for the time being of Christ Church Alsager. Four Representative Trustees to be appointed; Two by Christ Church PCC One by Alsager Town Council and One by Cheshire East Council. Nine other Trustees to be appointed.

Additional information (optional)

You may choose to include further statements where relevant about:

Policies and procedures adopted for the induction and training of trustees	Para 1.51	
The charity's organisational structure and any wider network with which the charity works	Para 1.51	
Relationship with any related parties	Para 1.51	
Other		

Reference and Administrative details

Charity name	Alsager Educational Foundation
Other name the charity uses	
Registered charity number	525834
Charity's principal address	2 Close Lane Alsager St7 2JP

Funds held as custodian trustees on behalf of others

Description of the assets held in this capacity	
Name and objects of the charity on whose behalf the assets are held and how this falls within the custodian charity's objects	
Details of arrangements for safe custody and segregation of such assets from the charity's own assets	

Additional information (optional)

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

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Exemptions from disclosure

Reason for non-disclosure of key personnel details

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Other optional information

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Declarations

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)

Debbie Preston

Full name(s)

Deborah Preston

**Position (eg Secretary,
Chair, etc)**

Secretary

Date

02/04/2025

Alsager Education Foundation**Year Ended 30th June 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Income & Expenditure Statement</u>				
Income				
School Buildings Rental	2,500.00	2,500.00	2,500.00	2,916.68
CCLA Investment Dividends	6,957.32	6,901.21	6,708.62	6,394.62
Alsager Music Foundation	897.09			
Quilter Cheviot Investment Dividends	17,712.94	14,914.16	15,481.62	11,987.76
	<u>28,067.35</u>	<u>24,315.37</u>	<u>24,690.24</u>	<u>21,299.06</u>
Expenditure				
Grants Made	32,635.00	25,050.00	25,590.00	28,700.00
Administration Expenses	2,100.00	1,600.00	900.00	900.00
	<u>34,735.00</u>	<u>26,650.00</u>	<u>26,490.00</u>	<u>29,600.00</u>
Net Deficit for the Year	<u>(6,667.65)</u>	<u>(2,334.63)</u>	<u>(1,799.76)</u>	<u>(8,300.94)</u>
<u>Balance Sheet</u>				
Investments				
CCLA Investments	248,066.92	226,842.27	221,712.46	235,021.06
Quilter Cheviot Investments	765,719.00	698,257.00	714,187.00	798,947.00
Cash & Bank				
Natwest Bank Accounts	3,118.64	12,499.23	7,048.02	4,329.40
	<u>1,016,904.56</u>	<u>937,598.50</u>	<u>942,947.48</u>	<u>1,038,297.46</u>
Capital & Reserves				
Balance b/f	937,598.50	942,947.48	1,038,297.46	920,702.67
Net Deficit for the year	(6,667.65)	(2,334.63)	(1,799.76)	(8,300.94)
Capital Investment Fees & Charges				
Quilter Cheviot	(8,646.42)	(8,681.58)	(9,680.46)	(9,000.00)
Capital Gain / (Loss)				
CCLA Investment	21,224.65	5,129.81	(13,308.60)	30,098.49
Quilter Cheviot	73,395.48	537.42	(70,561.16)	104,797.24
	<u>1,016,904.56</u>	<u>937,598.50</u>	<u>942,947.48</u>	<u>1,038,297.46</u>

I have examined the Income & Expenditure and Balance Sheet for the year ended 30th June 2024 and in my opinion these records represent a true and fair record of the Alsager Education Trust

T D Smith BFP FCA
1st August 2024

Trustees of the Alsager Education Foundation

Comments of the Examination of the Accounting Records

With the changeover in Secretary there appears to have been some confusing relating to which year the admin fee payments relate to, resulting in their misstatement. Together with increase in amount payable to the new secretary.

As a result, the figures have been restated for the prior years reflected the old levels of payments of £800 plus £100 a year and the new level £1,500 plus £100.

Further the 2024 also includes the agreed £500 payment to the former Secretary.

Given the above and to better understand the recent volatility in investment returns I have shown the current year plus the previous 3 years.

Having been involved in very similar Investment funds both professionally and privately in recent years, the current method of using Managed Funds may not be best suited to the foundation requirements. The article below highlights the key points:

Index Tracker vs Managed Funds

For many years, there has been a big discussion in the world of finance as to whether index trackers are a better way to invest than managed funds. It's sometimes called the Active vs. Passive debate. The evidence is fairly clear cut, however, and it shows that index trackers beat the vast majority of managed investment funds over the long term.

It's certainly true that the best managed funds will do better than an index tracker, even over long periods. However, the difficulty is identifying which ones are the 'best'.

You've probably seen the ubiquitous disclaimer that "Past performance is no guarantee of future results" — it's there for a good reason!

The evidence on the performance of managed investment funds

One of the most famous pieces of research in this area is called S&P Indices Versus Active Funds (SPIVA). It looks at funds across the US, Europe, and many other major markets.

Each year, the SPIVA reports show that somewhere in the region of 75% to 85% of funds fail to beat their benchmarks over 10-year periods, when you adjust for funds that didn't survive for the whole decade.

The precise numbers vary when you drill down into specific fund sectors, but the overall message is always very consistent across all regions and company sizes.

An index tracker will tend to trail its benchmark by a small amount because of its running costs, but the message from SPIVA – and all the other research carried out in this area in the last few decades – is clear: the average index tracker will tend to outperform the average managed investment fund

Why do index trackers tend to beat managed investment funds?

Taken together, managed funds essentially *are* the market. This means that collectively they hold their investments in pretty much the same proportion as an index tracker does.

Before taking costs into account therefore, you'd expect a managed fund and an index tracker to produce the same sort of return.

When you take costs into account, however, there are two key differences between index trackers and managed funds. Firstly, charges for managed funds tend to be a lot higher than index trackers. A typical managed fund charges around 1% a year, whereas the average index tracker is probably nearer 0.2% This difference may sound small, but it compounds each year and gives index trackers a huge advantage over the long term.

The second difference is that managed funds tend to buy and sell their underlying investments more frequently. It's reckoned that the typical UK fund buys and sells around half of its holdings each year — so its portfolio turnover, as it is called, is around 50%. The dealing costs and stamp duty tax associated with this give managed funds an additional handicap to overcome. Index trackers tend to have an annual portfolio turnover of less than 20%.

Given very long-term nature of the Education Foundation and its Investments the market evidence demonstrates Index Tracker should provide better returns.

I am not an expert on this and would recommend Quilter Cheviot or an independent person provide their own opinion on Index Tracker vs Managed funds.