

Charity Registration No. 1011711

THE SCHOOL FEES CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE SCHOOL FEES CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M C Gowar - Chairman Mr B Richards Mr T Love Mr N Wallace
Charity number	1011711
Principal address	Unit 21 Dean House Farm Church Road Newdigate Dorking Surrey RH5 5DL
Independent examiner	Matthew Cleghorn FCA BSc (Hons) Suite F10 London Road Hardham Pulborough West Sussex RH20 1LA

THE SCHOOL FEES CHARITABLE TRUST

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 13

THE SCHOOL FEES CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The main activity of the Trust is to provide financial assistance to families suffering temporary hardship in order that the education of their children attending independent schools may be maintained (for public benefit).

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

The main source of the Trust's income was by way of unassigned claims from SFTS Trustees Limited.

All grants by the Trust are at the Trustees' discretion. Commitments at 31 August 2020 are disclosed in note 7.

The terms and conditions required in order to apply for a grant can be found on the SFS Group Ltd website in the section 'terms and conditions'. The usual maximum award granted is 25% of the net fee. Grants are generally made for a maximum period of one year, to cover three academic terms. However, this may be extended to cover a further three academic terms following receipt of confirmation, prior to the start of the next academic year that the applicant's financial situation has not materially changed. From time to time the trustees ask the recipient to return all or part of the bursary to enable other parents to be assisted in the future.

Public Benefit

The Trustees confirm they have complied with the duty in section 17(5) of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The charitable purposes of the Trust are set out in its constitution.

Risk Management

The Trustees are responsible for assessing and controlling the risks to which the Charity is subject. Risk Management is an ongoing process during the year and there is a formal review of the Charity's risk management process on an annual basis. Particular areas of risk addressed by the Trustees include the following: governance; operational; financial and law and regulation compliance.

Achievements and performance

The Trustees are reporting a net deficit of £35,195 (2019: £10,163). They also report reserves of £89,294 (2019: £124,489).

The Trustees are satisfied with the financial position of the Charity and confirm that:-

1. Cash is held on interest bearing bank accounts, with the exception of balances required for day to day expenditure.
2. The accounts comply with current statutory requirements.

THE SCHOOL FEES CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

As we reported last year, the income accruing to the Trustees is no longer regular but is now in the form of ad hoc payments which, so far, have tended to produce higher sums than when the funding was on a regular basis. In the year under review, coronavirus did not have material impact on the applications for assistance. Since the year end, however, the position has changed and the number of applications has significantly increased. The Trustees continue to maintain a cautious approach to their cash position but were able, in the year under review, to increase the number and value of grants made. The Trustees very much hope that they will receive sufficient funds in the future to enable them to continue making grants, in accordance with the Charity's objects, to those suffering hardship.

Reserves policy

The Trustees have agreed that a figure amounting to no less than the grants required for the current term and the agreed awards for any future terms should be held in reserve at any one time.

Investment policy

The Deed of Trust of the Charity does not place any specific restrictions on the way in which the Charity can operate nor on its investment powers.

Structure, governance and management

The School Fees Charitable Trust is a registered charity (registered number 1011711). The Trust was constituted under a trust deed dated 18 October 1991, as amended 27 May 1992.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr M C Gowar - Chairman

Miss J M Taylor

(Deceased 2 February 2021)

Mr B Richards

Mr T Love

Mr N Wallace

New Trustees are appointed by current Trustees and will usually have a knowledge of independent education; the term of trusteeship is unlimited. The Trustees meet three times a year for decision making purposes.

The Trustees' report was approved by the Board of Trustees.

Mr M C Gowar - Chairman

Trustee

Dated: 16 April 2021

Mr B Richards

Trustee

Dated: 16 April 2021

THE SCHOOL FEES CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SCHOOL FEES CHARITABLE TRUST

I report to the Trustees on my examination of the financial statements of The School Fees Charitable Trust (the Trust) for the year ended 31 August 2020.

Responsibilities and basis of report

As the Trustees of the Trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Matthew Cleghorn FCA BSc (Hons)

Suite F10 London Road
Hardham
Pulborough
West Sussex
RH20 1LA

Dated: 16 April 2021

THE SCHOOL FEES CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Donations and legacies	3	25,007	23,403
Investments	4	78	117
Total income		<u>25,085</u>	<u>23,520</u>
<u>Expenditure on:</u>			
Raising funds	5	455	2,295
Charitable activities	6	59,825	31,388
Total resources expended		<u>60,280</u>	<u>33,683</u>
Net expenditure for the year/ Net movement in funds		(35,195)	(10,163)
Fund balances at 1 September 2019		<u>124,489</u>	<u>134,652</u>
Fund balances at 31 August 2020		<u><u>89,294</u></u>	<u><u>124,489</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE SCHOOL FEES CHARITABLE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		378		566
Current assets					
Debtors	12	-		455	
Cash at bank and in hand		90,446		125,860	
		<u>90,446</u>		<u>126,315</u>	
Creditors: amounts falling due within one year	13	(1,530)		(2,392)	
Net current assets			88,916		123,923
Total assets less current liabilities			<u>89,294</u>		<u>124,489</u>
Income funds					
Unrestricted funds			89,294		124,489
			<u>89,294</u>		<u>124,489</u>

The financial statements were approved by the Trustees on 16 April 2021

Mr M C Gowar - Chairman
Trustee

Mr B Richards
Trustee

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

The School Fees Charitable Trust is an unincorporated charitable trust and the principal address is Unit 21, Dean House Farm, Church Lane, Newdigate, Surrey, RH5 5DL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to a particular headings, they are allocated to activities on a cost basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	20% straight line
--------------------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Transition to FRS102

These financial statements for the year ended 31 August 2020 are the first financial statements of The School Fees Charitable Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2018. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and legacies

	2020	2019
	£	£
External donations	7	23,403
Donations from related entities	25,000	-
	<u>25,007</u>	<u>23,403</u>
Donations from related entities		
From SFTS Trustees	25,000	-
	<u>25,000</u>	<u>-</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	78	117

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Advertising	455	2,295
	<u>455</u>	<u>2,295</u>

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Charitable activities

	Support costs 2020 £	Charitable grants 2020 £	Total 2020 £	Support costs 2019 £	Charitable grants 2019 £	Total 2019 £
Grant funding of activities (see note 7)	-	51,762	51,762	-	21,723	21,723
Share of support costs (see note 8)	606	-	606	816	-	816
Share of governance costs (see note 8)	7,457	-	7,457	8,849	-	8,849
	<u>8,063</u>	<u>51,762</u>	<u>59,825</u>	<u>9,665</u>	<u>21,723</u>	<u>31,388</u>

7 Grants payable

	Charitable grants 2020 £	Charitable grants 2019 £
Grants to institutions:		
Grants to individuals	51,762	21,723
	<u>51,762</u>	<u>21,723</u>

The charity calculates the funds available for grants on a cash received basis. The financial statements are prepared on an accrual basis.

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Depreciation	188	-	188	188	
Printing, postage and stationery	90	-	90	200	
Travelling	33	-	33	104	
Miscellaneous	295	-	295	324	
Independent examiners' remuneration	-	1,578	1,578	2,489	Governance
Secretarial fees	-	5,879	5,879	6,360	Governance
	<u>606</u>	<u>7,457</u>	<u>8,063</u>	<u>9,665</u>	
Analysed between Charitable activities	<u>606</u>	<u>7,457</u>	<u>8,063</u>	<u>9,665</u>	

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year.

10 Employees

There were no employees during the year.

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Tangible fixed assets		
		Computer equipment
		£
Cost		
At 1 September 2019		942
At 31 August 2020		<u>942</u>
Depreciation and impairment		
At 1 September 2019		376
Depreciation charged in the year		188
At 31 August 2020		<u>564</u>
Carrying amount		
At 31 August 2020		<u>378</u>
At 31 August 2019		<u>566</u>
12 Debtors		
	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	-	455
	<u>-</u>	<u>455</u>
13 Creditors: amounts falling due within one year		
	2020	2019
	£	£
Trade creditors	-	910
Accruals	1,530	1,482
	<u>1,530</u>	<u>2,392</u>

THE SCHOOL FEES CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2020	2019
	£	£
Aggregate compensation	5,879	6,360
	<u>5,879</u>	<u>6,360</u>

The compensation paid to key management personnel as aggregated above relates to secretarial fees paid to C Collard (£2,120) and salary recharge from SFS Group (£3,759).