

# THE ORMEROD TRUST FUND

Registered Charity No. 1058980

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

## THE ORMEROD TRUST FUND

YEAR ENDED 31<sup>ST</sup> AUGUST 2020

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### REFERENCE AND ADMINISTRATIVE INFORMATION

#### Constitution

The Scheme was originally set up by the Secretary for Education and Science under section 18 of the Charities Act 1960 and sealed on 30<sup>th</sup> January 1974. The Scheme was amended in April 2012 to bring certain aspects of governance up to date and to widen powers in relation to access to funds for bursaries. The Scheme was renamed "The Ormerod Trust Fund". The registered charity number is 1058980.

#### Trustees

The Trustees as at the date of this report are set out below:

Mr A Marshall	Chairman +
Mr B Holland	+
Mr M J Entwistle	+
Mr G Fowler	*
Dr W J Kitchingman	+
Mr D Bowen	+

+ A Trustee appointed by the Governors of Bury Grammar Schools

\* A co-optative Trustee

Mr D Bowen was appointed as a Trustee on 12 May 2020.

Nominated and co-opted Trustees serve under the new scheme for a period of between three and five years.

Mr M J Entwistle, a Trustee, is a partner in James Sharp & Co, the Fund's investment advisers. Because Trustees have a connection with the School little induction is required, save for aspects of charity accounting and law.

<b>Charity Address</b>	Farraday House Bridge Road Bury BL9 0HG
<b>Bankers</b>	Barclays Bank Plc 1 Central Street The Rock Bury BL9 0JN
<b>Auditors</b>	Horsfield & Smith Chartered Accountants & Registered Auditor Tower House 269 Walmersley Road Bury BL9 6NX
<b>Investment Advisers</b>	James Sharp & Co Exchange House Knowsley Street Bury BL9 0ST
<b>Legal Advisers</b>	Womble Bond Dickinson (UK) LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

## **THE ORMEROD TRUST FUND**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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The Trustees have pleasure in presenting their Annual Report and Financial Statements for the year ended 31<sup>st</sup> August 2020.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Organisation**

The Secretary of the Fund in the year under review was Mrs Jane Stevens. The Fund's registered address is Farraday House, Bridge Road, Bury, BL9 0HG.

The Secretary and the Headmaster of Bury Grammar School Boys attend all meetings of the Trustees.

The Secretary administers the Fund on a day-to-day basis, within parameters established by the Trustees on an annual basis. Grants are made on the basis of financial need and academic merit. The Secretary consults the Headmaster with regard to the latter.

#### **Risk management**

The Trustees examine the areas of the Fund's operations and consider the major risks faced. These risks consist entirely of whether or not the Fund's resources are sufficient to cover projected bursaries. Given the current level of cash reserves the risk is minimal. Furthermore, the Trustees are guided by investment advisers as to the likely income and capital gain to be realised by investments.

### **OBJECT, OBJECTIVES AND PRINCIPAL ACTIVITIES**

#### **Objects**

The principal objects of the Fund are the awards of scholarships, bursaries or grants to boys and young men who are aged under 25 who are about to attend, or have attended for not less than two years, Bury Grammar School Boys.

#### **Fundraising & Charitable Activities**

The Charity does not engage in fundraising activities. During the year the Fund has met its charitable objectives by providing financial assistance to pupils at Bury Grammar School Boys, primarily those in the 6<sup>th</sup> form, whose parents' financial circumstances warrant assistance so that their sons can complete their education.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Review of Activities**

The Trustees have continued to administer the investments of the Fund, and award bursaries in accordance with the constitution. There has been a decrease in total resources in the year of £154,478 (2019 decrease: £55,121), driven in the main by the unrealised losses on investment assets in the year.

## **THE ORMEROD TRUST FUND**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020** *(continued)*

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#### **Grants**

The Trustees have continued their grant making activities during the year. In the past, grants have been issued that primarily assist pupils in the 6<sup>th</sup> form at Bury Grammar School Boys with some assistance provided to boys who have been at the School for more than two years in lower years. Since 2017, the Trust agreed to fund two half bursaries for boys entering the School at Year 7, which has continued in 2020. These bursaries will continue for 7 years or until the boys leave the School, whichever comes first.

All Ormerod bursary grants given to individual parents in respect of their children who are pupils at the School are means tested.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

##### **Investments**

The only movement in the share portfolio in the year was the take up of an Entitlement Issue/Open Offer from Sequoia Economic Infrastructure Income Fund Ltd adding 6381 shares to our existing shareholding at a cost of £7,147. This purchase was funded from cash reserves.

Investments are kept under review by a sub-committee of the Chairman, the Secretary and Mr Entwistle who have delegated powers to change the portfolio.

All holdings are held through a nominee company operated by the Charity's investment advisers, James Sharp & Co.

##### **Reserves**

The Trustees' reserves policy is to ensure that there are sufficient Funds in place to meet their confirmed commitments. The Trustees are confident that there are adequate reserves to meet all bursary grant commitments.

#### **FUTURE PLANS & TOTAL RETURN**

Since 2012 the Trustees have adopted a total return approach, thereby making more Funds available for grants. The Trustees are able to access part of the unapplied total return on investments including capital growth, but will bear in mind both the present and future needs of beneficiaries of the Trust.

At their meeting in May 2020, the Trustees agreed that for the year 2020/21, the sum utilised should be 10% of the unapplied total return or £30,000 whichever was the lower. Under the Scheme, the Trustees have, in making these decisions under clause 18.1, concluded that given the level of expertise in investment and financial matters amongst the Trustees, seeking further advice about the way in which the power to make the total return order is used, is not required. The Trustees conclude that in all the circumstances, such external advice is unnecessary.

Further details in connection with the total return are as set out in the financial statements.

## **THE ORMEROD TRUST FUND**

### **REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020** *(continued)*

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#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Charity's Trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. The Trustees 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.

*A Madhry*  
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Dated *19 May 2021* .....

# **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ORMEROD TRUST FUND**

**YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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We have audited the financial statements of The Ormerod Trust Fund for the year ended 31st August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)).

This Report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 work, for this report, or for the opinions we have formed.

## **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st August 2020, 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF  
THE ORMEROD TRUST FUND**

**YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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



JONATHAN STAPLES BSc FCA DChA  
(Senior Statutory Auditor)  
For and on behalf of  
HORSFIELD & SMITH  
Chartered Accountants  
& Statutory Auditor

Tower House  
269 Walmersley Road  
Bury  
Lancashire  
BL9 6NX

Date. *20/5/21*,...

**THE ORMEROD TRUST FUND**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

	Note	Endowment £	2020 Restricted £	Total £	Endowment £	2019 Restricted £	Total £
<b>INCOMING RESOURCES</b>							
<b>Generated Funds</b>							
UK Dividends		36,346	2,050	38,396	33,142	2,440	35,582
VAT Reclaim Refund		-	276	276	-	-	-
<b>Net Incoming Resources available for Charitable Application</b>		<u>36,346</u>	<u>2,326</u>	<u>38,672</u>	<u>33,142</u>	<u>2,440</u>	<u>35,582</u>
<b>CHARITABLE EXPENDITURE</b>							
Grants		-	36,793	36,793	-	46,073	46,073
<b>Governance</b>	8	-	1,578	1,578	-	2,143	2,143
<b>Total Resources Expended</b>		<u>-</u>	<u>38,371</u>	<u>38,371</u>	<u>-</u>	<u>48,216</u>	<u>48,216</u>
Transfer between Funds		(36,346)	36,346	-	(33,142)	33,142	-
Applied Total Return	5	(10,019)	10,019	-	(17,500)	17,500	-
<b>NET OUTGOING RESOURCES</b>		<u>(10,019)</u>	<u>10,320</u>	<u>301</u>	<u>(17,500)</u>	<u>4,866</u>	<u>(12,634)</u>
Unrealised gains/(losses) on investment assets		(134,721)	(20,058)	(154,779)	(37,890)	(4,597)	(42,487)
Realised gains/(losses)		-	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>(144,740)</u>	<u>(9,738)</u>	<u>(154,478)</u>	<u>(55,390)</u>	<u>269</u>	<u>(55,121)</u>
Fund Balance at 1 Sept 2019		<u>651,708</u>	<u>111,900</u>	<u>763,608</u>	<u>707,098</u>	<u>111,631</u>	<u>818,729</u>
<b>FUND BALANCE AT 31 AUGUST 2020</b>		<u><b>506,968</b></u>	<u><b>102,162</b></u>	<u><b>609,130</b></u>	<u><b>651,708</b></u>	<u><b>111,900</b></u>	<u><b>763,608</b></u>

The notes on pages 11 to 13 form part of these financial statements.

**THE ORMEROD TRUST FUND****BALANCE SHEET****AS AT 31<sup>ST</sup> AUGUST 2020**

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	Note	2020 £	2019 £
<b>Fixed Asset Investments</b>	3	598,328	745,960
<b>Current Assets</b>			
Nominee Cash Account	9	11,870	18,698
		<hr/>	<hr/>
		11,870	18,698
		<hr/>	<hr/>
<b>Less: Current Liabilities</b>			
Creditors	10	1,068	1,050
		<hr/>	<hr/>
		1,068	1,050
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		10,802	17,648
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>609,130</b>	<b>763,608</b>
		<hr/> <hr/>	<hr/> <hr/>
Endowment Funds	4	506,968	651,708
Restricted Funds	4	102,162	111,900
		<hr/>	<hr/>
		<b>609,130</b>	<b>763,608</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 13 form part of these financial statements.

**THE ORMEROD TRUST FUND**

**TRUSTEES' AGREEMENT**

**YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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We approve the foregoing Balance Sheet dated 31<sup>st</sup> August 2020 and attached notes.

*A Mahon*

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Dated: - 19 May 2021

**THE ORMEROD TRUST FUND****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

	2020 £	2019 £	
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(38,353)</b>	<b>(48,186)</b>	
<b>RETURNS ON INVESTMENTS</b>			
Income from investments	38,396	35,582	
Interest Received (inc. VAT Reclaim Refund)	276	-	
	<u>38,672</u>	<u>35,582</u>	
<b>FINANCIAL INVESTMENT</b>			
Purchase of Investments	7,147	12,681	
	<u>7,147</u>	<u>12,681</u>	
<b>NET CASH (OUTFLOW)</b>	<b>(6,828)</b>	<b>(25,285)</b>	
	<u><u>(6,828)</u></u>	<u><u>(25,285)</u></u>	
<b>RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH FLOW FROM OPERATIONS</b>			
Net Incoming/(Outgoing) Resources	301	(12,634)	
Investment Income	(38,672)	(35,582)	
Increase/(Decrease) in Creditors	18	30	
	<u>301</u>	<u>(12,634)</u>	
<b>NET CASH OUTFLOW FROM OPERATIONS</b>	<b>(38,353)</b>	<b>(48,186)</b>	
	<u><u>(38,353)</u></u>	<u><u>(48,186)</u></u>	
<b>ANALYSIS OF CHANGES IN NET CASH RESOURCES</b>			
	<b>1<sup>st</sup> Sept 2019 £</b>	<b>Movement £</b>	<b>31<sup>st</sup> Aug 2020 £</b>
Cash at Bank and in hand	18,698	(6,828)	11,870
	<u><u>18,698</u></u>	<u><u>(6,828)</u></u>	<u><u>11,870</u></u>

## THE ORMEROD TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice FRS102, Accounting and Reporting by Charities, other applicable Accounting Standards and the Charities Act.

##### **Incoming resources**

Investment income has been credited to income when receivable.

##### **Resources expended**

Expenditure has been accounted for on the accruals basis. All costs are allocated directly to the appropriate heading. There is no apportionment.

#### 2. ENDOWMENT AND RESTRICTED FUNDS

Endowment Funds compose the original endowment of Benjamin Ormerod, taking account of changes in investment policy and the growth of these investments. In accordance with the new scheme and the total return order, part of the growth in value of investments from a specific date can be applied as income.

Any Funds thereby utilised from the Total Return Order are transferred from the endowed Fund to the restricted Fund.

Restricted Funds comprise the accumulated income less expenditure of the Fund plus any sums utilised by way of the total return order. Both endowment Funds and restricted Funds may only be used for the purposes of the charity.

#### 3. FIXED ASSET INVESTMENTS

Investments are required, under the Statement of Recommended Practice, to be shown at market value at the balance sheet date. Movements in market value are recognised as unrealised gains and losses.

The investments are defined as follows:

	2020		2019	
	Equities £	Total £	Equities £	Total £
Brought forward 1 <sup>st</sup> Sept 2019	745,960	745,960	775,766	775,766
Sales	-	-	-	-
Purchases	7,147	7,147	12,681	12,681
Unrealised gains/(losses)	(154,779)	(154,779)	(42,487)	(42,487)
	<u>598,328</u>	<u>598,328</u>	<u>745,960</u>	<u>745,960</u>

The original cost of the above investments, which are UK based, was £578,723 (2019: £571,576).

## THE ORMEROD TRUST FUND

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020 *(continued)*

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#### 4. RECONCILIATION OF FUNDS

	2020	2020	Total	2019	2019	Total
	Endowment	Restricted	£	Endowment	Restricted	£
	£	£		£	£	
At 1 <sup>st</sup> September 2019	651,708	111,900	763,608	707,098	111,631	818,729
Movement in resources	(144,740)	(9,738)	(154,478)	(55,390)	269	(55,121)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 <sup>st</sup> August 2020	<b>506,968</b>	<b>102,162</b>	<b>609,130</b>	<b>651,708</b>	<b>111,900</b>	<b>763,608</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 5. TOTAL RETURN

	£
Value of permanent endowment at 31 <sup>st</sup> August 2019	651,708
Value of permanent endowment at 1 <sup>st</sup> September 1995	416,796
	<hr/>
Unapplied total return held on trust for application as income 1 <sup>st</sup> September 2019	234,912
Decrease in value of permanent endowment in the year	(134,721)
	<hr/>
Balance of unapplied total return	100,191
Applied from total return 2020	(10,019)
	<hr/>
Balance of unapplied total return held on trust for application as income 31 <sup>st</sup> August 2020	<b>90,172</b>
	<hr/> <hr/>

The Trustees had resolved that up to 10% or £30,000 (whichever is the lower) of the balance of unapplied total return may be applied as income in the year to 31<sup>st</sup> August 2020.

#### 6. TAXATION

The Fund is a registered Charity and as such is not subject to taxation.

#### 7. GENERAL

The Fund is administered by staff employed by The Bury Grammar Schools Trustee Ltd. No charge is made to the Fund for these services. There are no costs for generating Funds.

# THE ORMEROD TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2020 *(continued)*

### 8. EXPENDITURE

	2020 £	2019 £
Administration of the charity includes:-		
Auditors' Remuneration	1,068	1,050
Professional fees	510	480
Other	-	613
	<u>1,578</u>	<u>2,143</u>

### 9. SHORT TERM INVESTMENTS (UK)

	2020 £	2019 £
Nominee Account	11,870	18,698
	<u>11,870</u>	<u>18,698</u>

### 10. CREDITORS

	2020 £	2019 £
Accruals & Deferred Income	1,068	1,050
	<u>1,068</u>	<u>1,050</u>

### 11. ANALYSIS OF NET ASSETS

	Fixed Asset Investments £	Current Assets £	Liabilities £	2020 Total £
Endowment	580,589	(73,621)	-	506,968
Restricted	17,739	85,491	(1,068)	102,162
	<u>598,328</u>	<u>11,870</u>	<u>(1,068)</u>	<u>609,130</u>

**THE ORMEROD TRUST FUND**

**YEAR ENDED 31<sup>ST</sup> AUGUST 2020**

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The following pages do not form part of the financial statements:-

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Page No

15            Income from Investments

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**THE ORMEROD TRUST FUND****YEAR TO 31<sup>ST</sup> AUGUST 2020****INCOME FROM INVESTMENTS**

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	<b>2020</b>	<b>2019</b>
<b>EQUITY INVESTMENTS</b>		
BP plc	2,287	2,223
City Merchants	1,750	1,750
CQS New City High Yield	5,319	2,700
Edinburgh	2,865	2,800
Glaxosmithkline	2,240	2,240
Henderson High Income	1,782	1,746
Lloyds TSB	261	749
Merchants	2,992	2,893
Royal Dutch Shell	5,465	6,505
Scottish Inv	3,416	2,838
Sequoia Economic Infrac	3,191	2,662
SSE	1,383	1,434
United Utilities	1,150	1,115
Vodafone	1,261	1,273
Witan Investment	3,034	2,654
	<u><b>38,396</b></u>	<u><b>35,582</b></u>