

THE SHELDON TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021



Caladine

Chartered Certified Accountants

THE SHELDON TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J K R England Mr A P Bidnell Mrs R M Beatton Mrs R M Gibbins Mr P K England
Charity number	242328
Principal address	84 Eccleston Square Pimlico London SW1V 1PX
Independent examiner	Colin Dadswell FCA ACCA DChA Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Pothecary Witham Weld 84 Eccleston Square Pimlico London SW1V 1PX
Investment advisors	Quilter Cheviot One Kingsway London WC2B 6AN

THE SHELDON TRUST

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THE SHELDON TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report and financial statements for the year ended 5 April 2021.

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 Trust deed, 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) (effective 1 January 2019)".

Objectives and activities

The objects of the Trust are for such charitable purposes as shall from time to time be determined by the Trustees. In setting their grant making policy and when reviewing the Trust's aims and objectives the Trustees confirm that they have had regard to the guidance provided by the Charity Commission on public benefit.

Grant Making Policy

The Trustees have established their grant making policy to achieve their objects for the public benefit. Following a merger with two other charities in the year ended 5 April 2013 the Trustees have continued to focus their grant giving in the West Midlands with particular emphasis on the following areas: Birmingham City, Coventry City, Dudley, Sandwell, Solihull, Wolverhampton and the County of Warwickshire but also now provide a limited number of grants nationally.

The main objective of the Trust - to relieve poverty and distress in society, especially in deprived areas, by providing grants to registered charities working with disadvantaged people - remains unchanged. In order to achieve this objective, grants are made to charities working in the following four areas:

- 1. Community Projects** (West Midlands only): these would be primarily community-based organisations, run by local volunteers and/or some paid staff. They would be addressing identified local needs of an individual or a community nature.
- 2. Special Needs Groups** (West Midlands only): these would be addressing the special needs of groups or individuals with age, health or learning issues which put them at a disadvantage within society.
- 3. Youth Development** (nationally): these would support programmes which address the needs of 16-25 year olds, especially those not in education, employment or training (NEETs). While individuals will not be selected and supported directly, the Trustees will consider applications from programmes which encourage young people to expand their experiences and challenge their capacities.
- 4. Holidays for the disadvantaged** (West Midlands or Greater London): the average value of these small grants is £1,000. The grants are for holidays for people living in the defined area who are disadvantaged due to age, disability or other special needs who would otherwise not be able to have a holiday. Holidays must take place in the UK.

The Trustees will consider applications for projects, salaries, equipment, furnishings and running costs.

The Trustees do not consider applications from charities with an annual income of over £1M and/or free unrestricted reserves to the value of more than six months of their annual expenditure.

In addition to the above the Trustees may put aside a portion of their income for grants for special projects of which they have personal knowledge or an organisation which they have supported in the past.

The Trustees only make grants to other registered UK charities as they consider that such charities, established as they are for the public benefit, are best placed to further the charitable objectives of the Trust. This also provides reassurance that the grants the Trustees make go to worthy, charitable and accountable recipients. Occasionally grants are made to non-registered charities but in these instances payment is made through a sponsoring third party registered charity.

THE SHELDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees play a very active role in the Trust and review their policy and criteria regularly. Although they have a central policy, flexibility is retained to allow for reaction to changes in the environment and the community alike. The Trustees continue to commit a proportion of their income to multi-year grants for a period of two or three years which means they have less income to distribute for other charitable purposes in any given year. The Trustees keep the value of these continuing grants under review to avoid over committing their resources.

During the reporting period, given the current challenges resulting from COVID-19, the Trustees felt they needed to exercise further flexibility in regards to grant-making and encouraged applicants to highlight where they require support to help continue their important work.

Achievements and performance

The Trustees met twice during the year and authorised 24 grants of the total value of £170,915 as set out below.

Community Projects

Five grants were authorised under this category during the year totalling £42,920. This figure included one grant of £19,920 that would be paid over two years. Of the grants authorised under this category four were to charities previously known to the Trustees.

Youth Development

Eight grants were authorised under this category during the year totalling £61,000. This figure included one grant of £15,000 that would be paid over three years. Of the grants authorised under this category five were to charities previously known to the Trustees.

Special Needs Groups

Eight grants were authorised under this category during the year totalling £62,995. This figure included one grant of £15,000 that would be paid over three years, one grant of £9,000 that would be paid over three years and one grant of £10,000 that would be paid over two years. Of the grants authorised under this category five were to charities previously known to the Trustees.

Holiday Fund

The Trustees set aside funds in support of holiday projects for disadvantaged people each year and during the year three grants totalling £4,000 were authorised. All grantees had been previously supported by the Trust.

The Trustees sometimes make conditional grants in the year which are not accrued or included pending fulfilment of the conditions. There was one conditional grant at the year end.

The Trust focused its grants on charities which were delivering front-line services, to ensure that the targeted groups benefitted directly. Grants were authorised for all the main categories supported by the Trust.

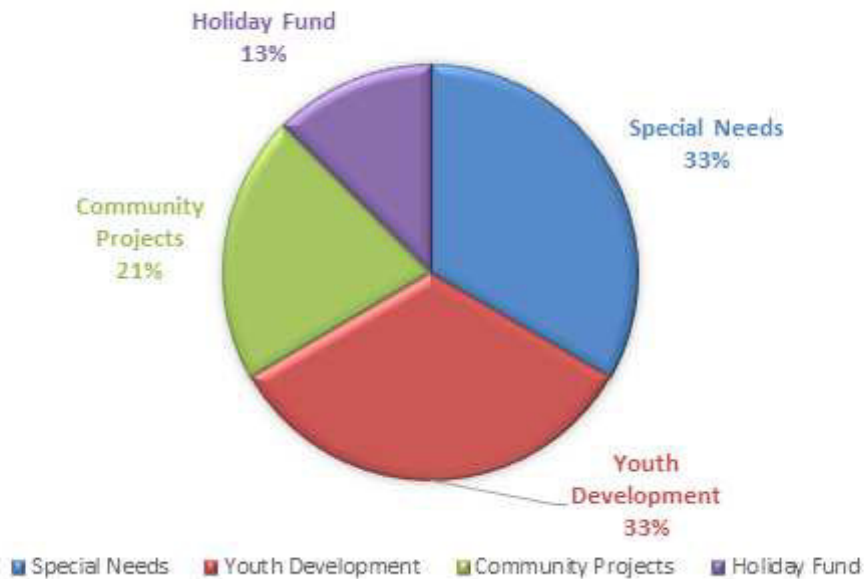
Here below an analysis of how grants were distributed according to the grant criteria, geographical area, purpose of grants.

THE SHELDON TRUST

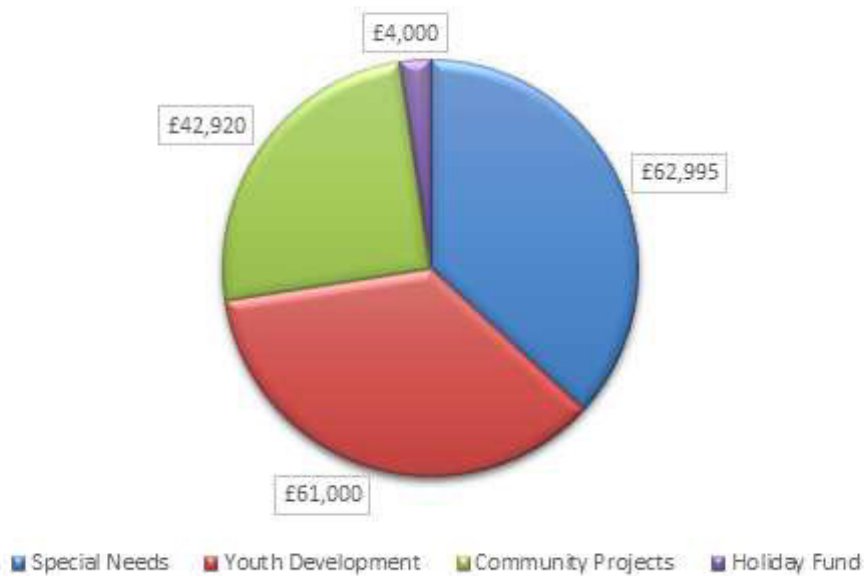
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

PERCENTAGE OF GRANTS PER CATEGORY



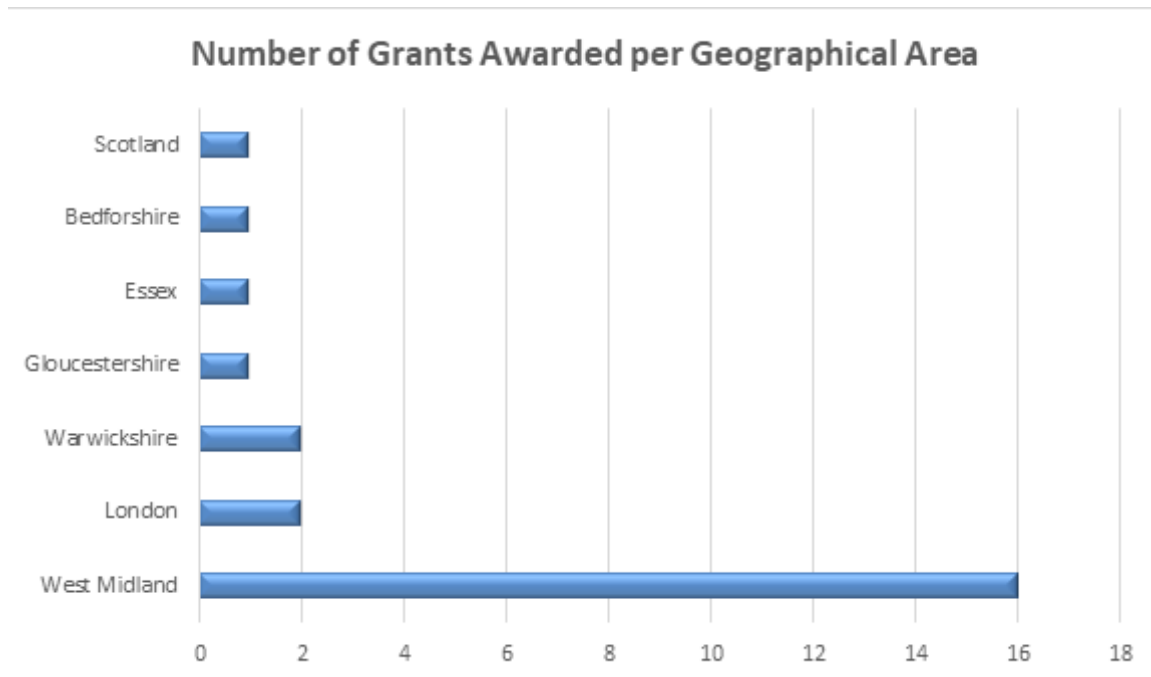
VALUE OF GRANTS PER CATEGORY



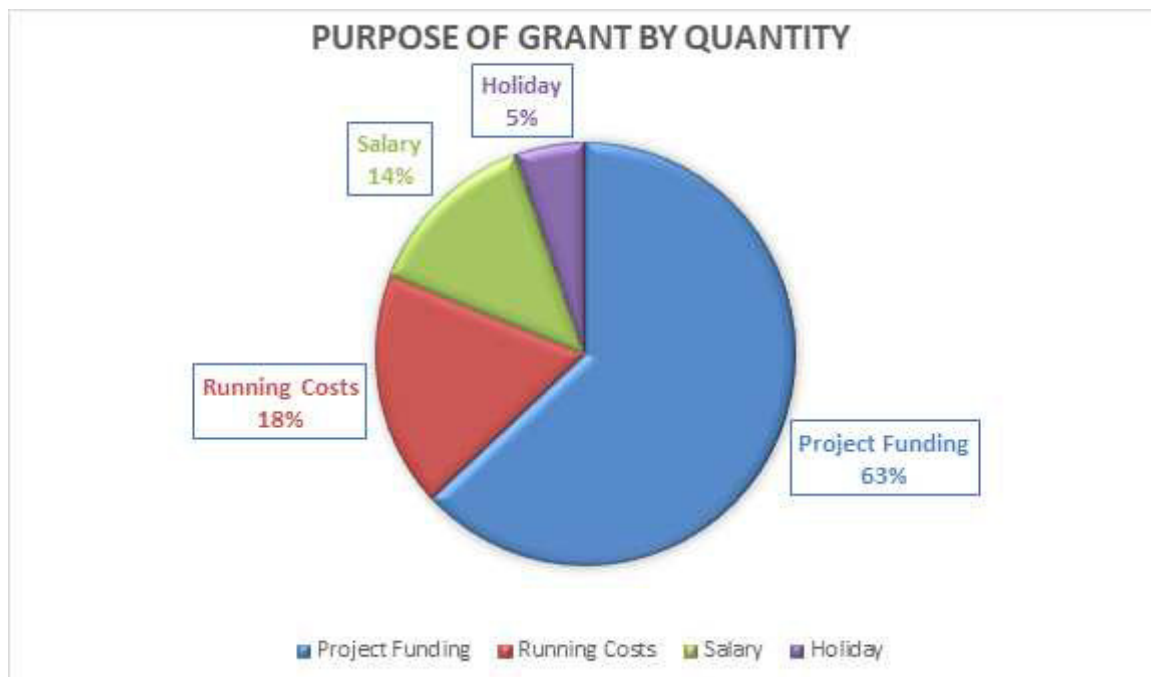
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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021



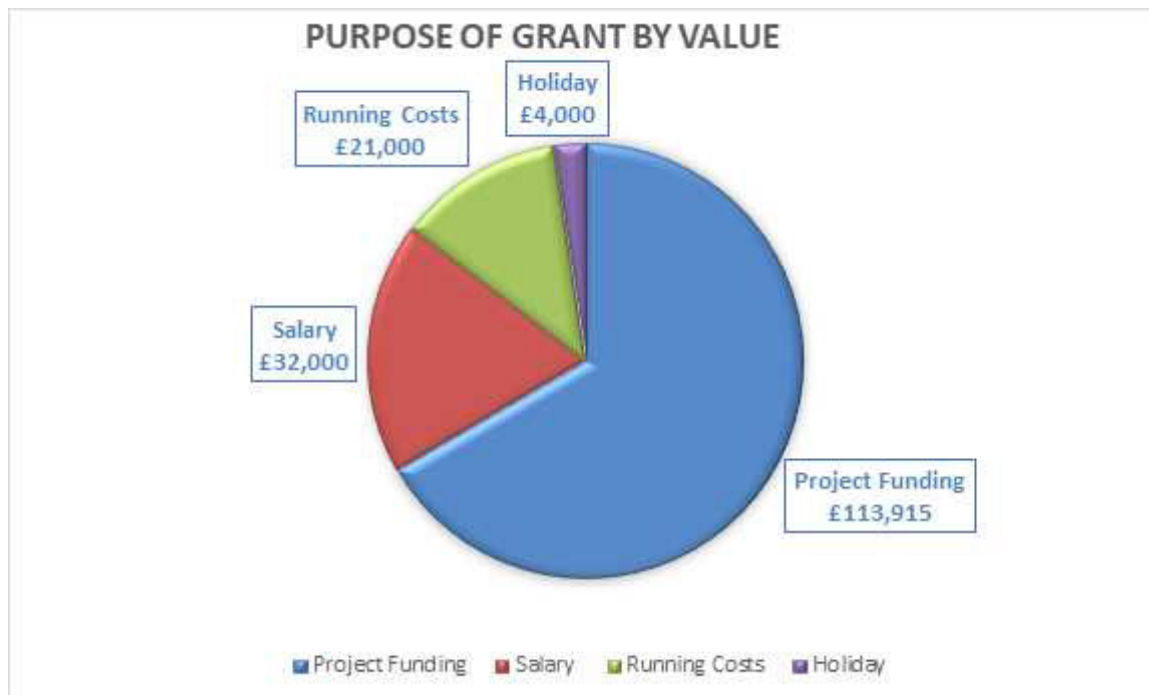
The Trustees authorised grants throughout their target geographical area with the greatest concentration in the West Midlands.



THE SHELDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021



This year the majority of funds contributed to project costs. The Trustees do not restrict their funding to this area and welcome applications for all purposes apart from capital building costs.

Monitoring

All successful applicants are requested to provide a report on the use of the funding provided and how it has benefited the target groups. An official monitoring form is provided for the purpose of reporting under all categories with the exception of the holiday funding. The charities in receipt of a holiday grant are asked to provide a short narrative on the holiday funded as well as photographs or other proof that the holiday has taken place, within a year of the grant receipt.

The Trustees actively encourage grant recipients to provide a report on the use of funding received. A system is in place by which each month Charities who are on their last month of the project are sent the monitoring form. Furthermore, on monthly basis charities that are late to submit their end of project report are contacted to be reminded that the report is due. It is a condition of funding that monitoring reports are provided and those charities not providing completed reports will not be considered for funding in the future. Of those reports that were returned the Trustees were satisfied that their funding during the year ended 5 April 2021 and before had been successful in reaching the groups they were targeting with their grant making policy.

During the reporting period 32 reports were reviewed relating to grants authorised from categories 1 to 3. Each report is graded for performance against the original aim of the funding. Of the reports received 38% were judged to have exceeded expectations, 59% had achieved their goals and 3% had been only partially successful. None were completely unsuccessful.

Each year an average of five charities are visited by either the Trustees or the Trust Administrator. Visits are very effective at monitoring the projects and learning what is working, what is not and what the impact of the supported projects are. However, in the reporting period, visits could not take place because of the Covid 19 pandemic. Trustees plan to resume these very invaluable visits as soon as it will be safe to do so.

THE SHELDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Risk Management

The Trustees have identified the risks to which the Trust is exposed and have implemented procedures to mitigate those risks. The principle risk to the charity is considered to be a dramatic downturn in capital value.

The Trustees consider the major financial risk to be variability of returns on their investments. This is mitigated by diversifying their investments between rental properties and an investment portfolio. The Trustees employ expert property and investment managers to manage their investments and receive regular reports from each.

The major operational risk faced by the Trust is misuse of grant funding by recipients. The Trustees have implemented procedures to manage this risk through thorough review of all applications, pre-grant assessments, and effective monitoring of grants made. All applications must include detailed financial information about the Applicant.

As a result of Covid 19 the Trustees have also considered to include such adversities in the Trust's risk register and have discussed ways to mitigate such risks.

Financial review

The Trust's work is dependent on income from its investments. The capital fund is an expendable endowment but it is the Trustees' policy to maximise income from their investments whilst maintaining a capital fund. This policy is kept under review and if the need arises the Trustees will reconsider this decision.

Investment Policy

The capital fund of the Trust consists of both property and stock exchange investments and this balance enables the Trustees to be a little more flexible in terms of their stock exchange holdings than might otherwise be appropriate. The Trustees choose not to invest in companies where more than 25% of profit is derived from the production or sales of Alcohol, Tobacco, Armaments or Gambling. However, should this policy prevent the purchase of shares which the investment manager would normally recommend then this will be considered on a case by case basis. The Trustees will continue to keep their ethical policy under review, considering both the positive and negative impact of investments.

Reserves Policy

The Trustees have given consideration as how best to benefit those groups and individuals to whom its policies are targeted to help in the short and longer term. They keep under review the number of grants which include payments in future years to ensure that they have sufficient funds to meet needs as they arise. The Trustees anticipate increasing needs in the areas they support in future years and have determined that they will maintain the capital fund, with organic growth, as a source for future grants.

The charity had an unrestricted capital fund of £5,922,543 (2020 - £5,065,301) and an unrestricted income fund of £123,103 (2020 - £93,840) which included known liabilities for future approved grants amounting to £48,210 (2020 - £68,000) as at 5 April 2021. The Trustees regularly review the value of grants authorised for payment in future years and have implemented procedures to ensure they do not become overcommitted in this regard.

There is a restricted income fund for holiday funding of £70,214 (2020 - £73,507) as a result of the merger which took place in March 2013.

The Trustees have determined that all net income will be distributed by way of grants, with the proviso that approximately £20,000 of the income fund will remain undistributed to enable the charity to be managed efficiently and to provide working capital.

THE SHELDON TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Fundraising

The Trust understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate, but does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face-to-face campaigns and received no fundraising complaints during the year.

Future Plans

The Trustees look forward to continuing to make grants with an emphasis on community and special needs projects and the specific category for disadvantaged young people. The Trustees will continue to retain flexibility as to the timing and scale of grant-making. In order to achieve this objective the Trustees will continue to monitor their investments with the intention of maintaining capital growth whilst providing income for grant funding.

The Trustees will continue to make grants for one and more years as appropriate. They will also explore ways to reduce overhead costs by making some larger grants whilst still continuing to support small grassroots charities.

The Trustees will keep under review the possibility of merging with other charities with similar objects to their own with a view to proportionately reducing overhead costs.

Structure, governance and management

The Sheldon Trust is an unincorporated trust established by a Trust Deed dated 9 April 1965 and registered with the Charity Commission on 12 May 1965. The Trustees have the power to spend or retain both capital and income and so the funds of the Trust are classed as expendable endowment. The Trust does not actively fundraise and seeks to continue its charitable work through careful stewardship of its existing resources.


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

Mr J K R England
Mr A P Bidnell
Mrs R M Beaton
Mrs R M Gibbins
Mr P K England

Appointment of new trustees is by invitation of the existing trustees. Prospective new trustees are invited to attend Trustee Meetings prior to formal appointment for induction and training purposes.

The day-to-day management of the Trust including administration of grants and the processing of applications prior to consideration by the Trustees is carried out by the Trust's solicitor, Potheary Witham Weld.

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



Mr J K R England

Trustee

Dated: 1 October 2021

THE SHELDON TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees are responsible for preparing the Trustees' 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 Trust and of the incoming resources and application of resources of the Trust for that year.

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; and
- 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SHELDON TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SHELDON TRUST

I report to the Trustees on my examination of the financial statements of The Sheldon Trust (the Trust) for the year ended 5 April 2021.

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.



Colin Dadswell FCAACCA DChA

Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 1 October 2021

THE SHELDON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds capital 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:						
Donations and legacies	3	2	-	707	709	-
Investments	4	231,259	-	-	231,259	267,266
Total income		231,261	-	707	231,968	267,266
Expenditure on:						
Raising funds	5	-	20,105	-	20,105	23,998
Charitable activities	6	201,998	-	4,000	205,998	209,344
Total resources expended		201,998	20,105	4,000	226,103	233,342
Net gains/(losses) on investments	11	-	877,347	-	877,347	(560,261)
Net movement in funds		29,263	857,242	(3,293)	883,212	(526,337)
Fund balances at 6 April 2020		93,840	5,065,301	73,507	5,232,648	5,758,985
Fund balances at 5 April 2021		123,103	5,922,543	70,214	6,115,860	5,232,648

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

All income and expenditure derive from continuing activities.

THE SHELDON TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

Prior financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds capital 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:					
Investments	4	267,266	-	-	267,266
Total income		267,266	-	-	267,266
Expenditure on:					
Raising funds	5	-	23,998	-	23,998
Charitable activities	6	202,694	-	6,650	209,344
Total resources expended		202,694	23,998	6,650	233,342
Net gains/(losses) on investments	11	-	(560,261)	-	(560,261)
Net movement in funds		64,572	(584,259)	(6,650)	(526,337)
Fund balances at 6 April 2019		29,268	5,649,560	80,157	5,758,985
Fund balances at 5 April 2020		93,840	5,065,301	73,507	5,232,648

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

All income and expenditure derive from continuing activities.

THE SHELDON TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 5 APRIL 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investment properties	12		2,043,000		2,043,000
Investments	13		4,011,287		3,145,874
			<u>6,054,287</u>		<u>5,188,874</u>
Current assets					
Trade and other receivables	14	21,617		30,204	
Cash at bank and in hand		130,161		142,630	
		<u>151,778</u>		<u>172,834</u>	
Current liabilities	15	(80,205)		(115,810)	
Net current assets			<u>71,573</u>		<u>57,024</u>
Total assets less current liabilities			6,125,860		5,245,898
Non-current liabilities	16		(10,000)		(13,250)
Net assets			<u>6,115,860</u>		<u>5,232,648</u>
Income funds					
Restricted funds	18		70,214		73,507
Unrestricted funds - capital			5,922,543		5,065,301
Unrestricted funds - general			123,103		93,840
			<u>6,115,860</u>		<u>5,232,648</u>

The financial statements were approved by the Trustees on 1 October 2021

Mr J K R England
Trustee



5/10/2021

Trustee

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Sheldon Trust is an unincorporated trust established by a Trust Deed dated 9th April 1965 and registered with the Charity Commission on 12th May 1965.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's Trust deed, 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) (effective 1 January 2019)". 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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, modified to include the revaluation investment properties and certain financial instruments at fair value. 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 income funds comprise of funds which are free for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

For management purposes, the trustees have designated that the Trust's capital and capital profits will be retained and carried forward in a Capital Fund. At the discretion of the Trustees, on specific occasions, a transfer from the capital fund to the income fund will be made, to utilise some of the investment portfolio's capital gains for grant making. The Income Fund and income profits are utilised for awarding annual grants.

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 Income

All income is recognised once the charity has entitlement to the income, 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 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 notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio. Income from Government Securities is recognised when it is received.

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies (Continued)

Rental income under operating leases is charged to the profit and loss accounts on a straight-line basis over the terms of the lease.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds includes fees and charges for the management of the investment portfolio.
- Expenditure on charitable activities includes grants made in furtherance of the Trust's objects, governance costs and support costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the yearend are noted as a commitment, but not accrued as expenditure.

Where grants are payable by instalment, payment of subsequent instalments is conditional on satisfactory interim progress reports. The trustees consider it probable that satisfactory reports will be received and subsequent instalments are not, therefore, treated as conditional.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and governance costs which support the Trust's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

1.7 Non-current investments

Fixed asset 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 mid-market quoted price (the difference between mid-market and bid price is deemed not to be material). The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies (Continued)

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' 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 trade and other payables 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

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 SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

3 Donations and legacies

	Unrestricted funds income 2021 £	Restricted funds 2021 £	Total 2021 £	Total funds 2020 £
Donations and gifts	2	-	2	-
Legacies receivable	-	707	707	-
	<u>2</u>	<u>707</u>	<u>709</u>	<u>-</u>

4 Investments

	Unrestricted funds income 2021 £	Unrestricted funds income 2020 £
Rental income	138,564	144,182
Income from listed investments	92,680	122,953
Interest receivable	15	131
	<u>231,259</u>	<u>267,266</u>

5 Raising funds

	Unrestricted funds capital 2021 £	Unrestricted funds capital 2020 £
Property management charges	4,120	3,512
Other property expenditure	7,164	8,988
Investment management	8,821	11,498
	<u>20,105</u>	<u>23,998</u>

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

6 Charitable activities

	Total	Total
	2021	2020
	£	£
Grant funding of activities (see note 8)	170,915	171,069
Share of support costs (see note 7)	27,663	27,212
Share of governance costs (see note 7)	7,420	11,063
	<u>205,998</u>	<u>209,344</u>
Analysis by fund		
Unrestricted funds	201,998	202,694
Restricted funds	4,000	6,650
	<u>205,998</u>	<u>209,344</u>

7 Support costs

	Support costs	Governance costs	Total 2021	Support costs	Governance costs	Total 2020
	£	£	£	£	£	£
Administration charges	27,594	-	27,594	27,138	-	27,138
Bank charges	69	-	69	74	-	74
Audit fees	-	-	-	-	4,293	4,293
Accountancy	-	4,240	4,240	-	3,021	3,021
Administration charges	-	3,180	3,180	-	3,445	3,445
Administration and trustee expenses	-	-	-	-	304	304
	<u>27,663</u>	<u>7,420</u>	<u>35,083</u>	<u>27,212</u>	<u>11,063</u>	<u>38,275</u>
<u>Analysed between</u>						
Charitable activities	<u>27,663</u>	<u>7,420</u>	<u>35,083</u>	<u>27,212</u>	<u>11,063</u>	<u>38,275</u>

Governance costs includes payments to the Independent Examiner for accountancy and Independent Examination services of £2,900 and £1,340 respectively.

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

8 Grants payable

	2021	2020
	£	£
<u>Community Projects:</u>		
Acacia Family Support	3,000	-
Ackers Adventure	19,920	-
Bentley Beginnings	5,000	-
Enterprise Home Group	10,000	-
Karis Neighbour Scheme	-	5,000
New Heights Warren Farm Community Project	-	1,825
Piers Road New Communities Centre Association	-	5,000
Ryders Green Methodist Day Centre	5,000	-
Sudden Productions	-	5,000
	<hr/>	<hr/>
	42,920	16,825
	<hr/>	<hr/>
	2021	2020
	£	£
<u>Youth Development:</u>		
All change Arts Limited	5,000	-
Autism Bedfordshire	-	6,000
Birmingham Opera Company	2,000	-
Families United Network	15,000	-
Helm Training Limited	5,000	-
Mentor Link	-	5,651
One in a Million	-	5,638
Only Connect	-	5,000
Southwick Neighbourhood Youth Project	-	10,000
Sport 4 Life UK	10,000	-
St Martin's Youth Centre	-	9,985
The Cirdan Sailing Trust	10,000	-
The Door Youth Project	10,000	-
Voluntary Action Coventry	4,000	-
	<hr/>	<hr/>
	61,000	42,274
	<hr/>	<hr/>

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

8 Grants payable (Continued)

	2021	2020
	£	£
<u>Special Needs Groups:</u>		
Advocacy Matters	9,895	-
Birmingham Centre for Arts Therapies	15,000	-
Chris Westwood Charity for Children with Physical Disabilities	-	5,000
Coventry Rugby Community Foundation	5,000	-
Entraide (Mutual Aid)	-	30,000
Geese Theatre Company	-	8,475
Gilgal Birmingham	7,000	-
Halow (Birmingham)	-	5,831
Hope Projects	10,000	-
Hopetowns UK	-	10,000
Kingswood Trust	10,000	-
Motor Neurone Disease Association	3,100	-
Solihull Action Through Advocacy	-	10,000
St Anne's Hostel	-	5,000
The Enterprise Club for Disabled People	-	9,750
The House on the Corner Community	3,000	-
The Spring Playgroup and Preschool	-	9,000
The Women and Families Resource Centre	-	6,564
Warwickshire Wheelchair Basketball Academy	-	5,700
	<u>62,995</u>	<u>105,320</u>
	2021	2020
	£	£
<u>Holiday Projects:</u>		
Brent Carers Centre	-	1,000
Elim Life	1,000	-
Entraide	1,000	-
Happy Days Children	-	650
Hopetown UK	-	500
Parallel Youth Enterprise	2,000	-
Sussex Association for Spina Bifida and Hydrocephalus (SASBAH)	-	4,500
	<u>4,000</u>	<u>6,650</u>
Total grants payable	<u>170,915</u>	<u>171,069</u>

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

8 Grants payable (Continued)

Reconciliation of grants payable

Accrued at 6 April	68,000	94,519
New grant commitments made in the year	170,915	171,069
Grants paid during the year	(190,705)	(197,588)
Accrued at 5 April	48,210	68,000

Payable as follows

Grants payable within one year (see note 15)	38,210	54,750
Grants payable after one year (see note 16)	10,000	13,250
	48,210	68,000

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, reimbursed expense during the year totaled £Nil (2020 - 3 Trustees were reimbursed £304).

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

11 Net gains/(losses) on investments

	Unrestricted funds capital 2021 £	Unrestricted funds capital 2020 £
Revaluation of investments	807,429	(573,024)
Gain/(loss) on sale of investments	69,918	12,763
	877,347	(560,261)

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

12 Investment property

	2021
	£
Fair value	
At 6 April 2020 and 5 April 2021	2,043,000

The properties were revalued on an open market value for existing use basis by ehB Reeves Chartered Surveyors on 25 September 2018.

The Covid-19 pandemic has also caused some uncertainty around the values of the Investment Properties. As at the balance sheet date the Trustees believe that there had not been a significant material impact on these values such that a loss on fair value should be included. Due to the ongoing uncertainty around the economic outlook and its impact on future property prices, the Trustees considered it inappropriate at this time to use the Charity's funds to obtain an external valuation, which could prove unreliable in the long term.

13 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£	£	£
Cost or valuation			
At 6 April 2020	3,132,648	13,226	3,145,874
Additions	435,797	-	435,797
Valuation changes	807,429	-	807,429
Movement in cash balances	-	(5,965)	(5,965)
Disposals	(371,848)	-	(371,848)
	<hr/>	<hr/>	<hr/>
At 5 April 2021	4,004,026	7,261	4,011,287
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 05 April 2021	4,004,026	7,261	4,011,287
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 05 April 2020	3,132,648	13,226	3,145,874
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	2021	2020
	£	£
Investments at fair value comprise:		
Equity investments	3,331,976	2,552,293
Fixed interest	273,931	260,561
Property funds	398,119	319,794
Cash on deposit	7,261	13,226
	<hr/>	<hr/>
	4,011,287	3,145,874
	<hr/> <hr/>	<hr/> <hr/>

Fixed asset investments revalued

All investments are shown at open market value at the balance sheet date.

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

14 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	21,611	25,200
Other receivables	6	5,004
	<u>21,617</u>	<u>30,204</u>

15 Current liabilities

	2021	2020
	£	£
	Notes	
Other taxation and social security	3,715	3,780
Deferred income	34,570	34,975
Grants accrued	38,210	54,750
Accruals	3,710	22,305
	<u>80,205</u>	<u>115,810</u>

16 Non-current liabilities

	2021	2020
	£	£
Grants accrued	10,000	13,250
	<u>10,000</u>	<u>13,250</u>

17 Deferred income

	2021	2020
	£	£
Arising from Rental income received in advance	34,570	34,975
	<u>34,570</u>	<u>34,975</u>

18 Restricted funds

Restricted Funds represent a holiday fund which is for the sole purpose of providing holidays for the disadvantaged, in both London and the West Midlands areas.

	Movement in funds					
	Balance at 6 April 2019	Resources expended	Balance at 6 April 2020	Incoming resources	Resources expended	Balance at 5 April 2021
	£	£	£	£	£	£
Holiday income fund	80,157	(6,650)	73,507	707	(4,000)	70,214
	<u>80,157</u>	<u>(6,650)</u>	<u>73,507</u>	<u>707</u>	<u>(4,000)</u>	<u>70,214</u>

THE SHELDON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

19 Analysis of net assets between funds

Current financial year

	Unrestricted Capital Fund	Unrestricted Income Fund	Restricted Income Fund	Total
	2021	2021	2021	2021
	£	£	£	£
Fund balances are represented by:				
Investment properties	2,043,000	-	-	2,043,000
Investments	3,941,073	-	70,214	4,011,287
Current assets/(liabilities)	(61,530)	133,103	-	71,573
Long term liabilities	-	(10,000)	-	(10,000)
	<u>5,922,543</u>	<u>123,103</u>	<u>70,214</u>	<u>6,115,860</u>

Prior financial year

	Unrestricted Capital Fund	Unrestricted Income Fund	Restricted Income Fund	Total
	2020	2020	2020	2020
	£	£	£	£
Fund balances are represented by:				
Investment properties	2,043,000	-	-	2,043,000
Investments	3,072,367	-	73,507	3,145,874
Current assets/(liabilities)	(50,066)	107,090	-	57,024
Long term liabilities	-	(13,250)	-	(13,250)
	<u>5,065,301</u>	<u>93,840</u>	<u>73,507</u>	<u>5,232,648</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).