

# Educational and General Charitable Trust

## Report of the trustees for the year ended 5<sup>th</sup> April 2021

The trustees present their annual report and financial statements of the charity for the year ended 5<sup>th</sup> April 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts.

### Objectives and activities for the public benefit

The purpose of the trust is to use its funds for any charitable activities but in particular the advancement of education. It does this through making grants to appropriate institutions and charitable projects throughout the world. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities and setting the grant making policy for the year.

The Trust furthers its charitable purposes for the public benefit through its grant-making policy which aims at:

1. funding innovative projects in the field of children's education;
2. funding projects in the field of protecting the environment and mitigating the impact of global warming;
3. funding projects in the field of overseas development and poverty relief.

### Grant making policy

The Trust generally supports smaller charities with an annual income of between £50,000 and £2m. Grants can be used for core, capital or project costs. Although the Charity tries to support its chosen bodies over a period of years, no commitment is made by the charity to this effect.

The geographical spread by value of the 20 grants made was as follows:

	%
UK	4
Africa	62
Asia	29
Latin America	5

### Financial Review

During the year grants were paid totalling £130,000. The expenditure exceeded the income by £40,623 in the year and this is taken from the Accumulated Income Reserve.

### Investment policy and performance

In 2009, the trustees agreed an ethical investment policy to ensure, wherever possible, that there were no conflicts between the ethical and moral policy of the trust used in making grants and the investment policy. In order to avoid investments in companies that were 'unethical', e.g. damaging to the environment, it was agreed to move investments into collective ethical funds until 50% of the portfolio was so invested. This policy included investing about 10% of the portfolio in fixed interest securities. As at 5 April 2021, about 45% of the portfolio by value was invested in ethical holdings. Our investment advisors are continuing to work towards the 50% target.

### Risk management

The principal risks faced by the Trust lie in the performance of investments and operational risks from ineffective grant making. The financial risk in the variability of investment returns is mitigated by retaining expert investment managers and having a diversified investment portfolio.

## **Reserves policy**

The Trust has an Accumulated Income Reserve of £65,561. This arose in the past when the policy had been to hold back some of the income each year to maintain the real value of the Capital Fund in periods of high inflation. As this situation no longer applies and the portfolio is so invested as to, at the least, maintain its real value, the trustees have adopted a policy of using all the income in making grants and further, using about £10,000 each year from the Income Reserve.

## **Structure, governance and management**

The Trust is a registered charity, number 313117 and is constituted under a trust deed dated 20<sup>th</sup> June 1961. It was established by an initial gift from Lord John Diamond, followed by further gifts from him and his wife. The Trust does not fundraise and seeks to continue the charitable work desired by the donor through the careful stewardship of its existing resources.

New trustees are appointed by the existing trustees and serve for an indefinite period. The Trust Deed provides for a minimum of three trustees and a maximum of five.

At the annual Trustees' meeting, the trustees agree the broad strategy and areas of activity for the Trust, including the grants to be made, investment policy, reserves and risk management. The day to day administration of the grants and the processing of applications prior to the annual meeting are delegated to Martin Diamond, one of the trustees. As no staff are employed, the key management personnel of the Trust are the board of trustees, all of whom give their time freely. During the year no trustee remuneration was paid and no trustee expenses were claimed. Trustees are required to disclose any relevant interests.

## **Reference and administrative information**

### **Trustees:**

Martin Diamond

Laura Diamond

Andrew Diamond

Joan Diamond

Linda Mabley

Principal Address : 66 Lewes Road, Ditchling, East Sussex, BN6 8TU.

Bankers : Co-operative Bank, P. O. Box 250, Skelmersdale, WN8 6WT.

Independent Examiner : to be appointed

Investment Managers : J.M.Finn & Co, 25 Copthall Avenue, London EC2R 7AH

**Contact** with the charity is best done through the web site [educationalandgeneral.org](http://educationalandgeneral.org) .

## **Trustees' responsibilities in relation to financial statements**

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to :

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in the applicable Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
5. prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 3 December 2021 and signed on their behalf by:

Martin Diamond (trustee)

EDUCATIONAL AND GENERAL CHARITABLE TRUST						
STATEMENT of FINANCIAL AFFAIRS for the year ending 5 April 2021						
				Note	2020 /21	2019 /20
				1	£	£
<b>INCOME</b>						
	<u>Investment Income</u>					
	Dividends - equities				98,163	111,649
	Interest - fixed Interest securities				1,990	2,586
	Interest on cash deposits				64	321
	<u>Donations</u>					30
					<b>100,217</b>	<b>114,586</b>
<b>EXPENDITURE</b>						
	Cost of raising funds:					
	Investment management costs				10,840	10,776
	Expenditure on charitable activities:					
	Grants to Charities				130,000	104,000
					<b>140,840</b>	<b>114,776</b>
	Net Income/(expenditure -)				<b>-40,623</b>	<b>-190</b>
<b>BALANCE SHEET AS AT 5th APRIL 2021</b>						
	<b>Fixed Assets</b>				2,021	2,020
					£	£
	Investments, at market value				3,985,876	3,131,317
	<b>Current Assets</b>					
	Debtors				49,104	21,330
	Short term deposits				42,480	42,454
	Cash at bank				778	7,510
					<b>92,362</b>	<b>71,294</b>
	Liabilities				0	0
	<b>Net Current Assets</b>				<b>92,362</b>	<b>71,294</b>
	<b>Net Assets</b>				<b>4,078,238</b>	<b>3,202,611</b>
	<b>The Funds of the charity</b>					
	Capital Fund				4,012,677	3,096,427
	Accumulated Income				65,561	106,184
					<b>4,078,238</b>	<b>3,202,611</b>
The notes at page 1 form part of these accounts.						
Approved by the trustees on 3 December 2021 and signed on their behalf by						
	Martin Diamond (Trustee)					

## **Notes to the Financial Statements for the year ended 5<sup>th</sup> April 2021**

### **1. Accounting Policies**

#### **Going Concern**

The financial statements are drawn up on the going concern basis which assumes that the Trust will continue in existence for the foreseeable future.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable UK accounting standards and with the requirements of the Statement of Recommended Practice (SORP 2005) and with the Charities Act 2011.

#### **Incoming Resources**

All incoming resources are included in the statement of financial activities on a received basis.

#### **Resources Expended**

Expenditure is included on accruals basis, inclusive of VAT, which is not recoverable.

### **2. Governance costs**

There are no governance costs as the trustees claim no expenses .

### **3. Employees**

The trust has no employees and all work is carried out by the trustees.