

Charity No: 517177

THE TRAPNELL FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021

THE TRAPNELL FUND

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THE TRAPNELL FUND

FUND DETAILS

Trustees	N Ward M Craven M Shadbolt A N Stephenson Mrs H Trapnell J Whitlock	(Chairman)
Secretary	B E Clark	
Address	Rossall School Fleetwood FY7 8JW	
Auditor	MHA Moore and Smalley Chartered Accountants Richard House Winckley Square Preston PR1 3HP	
Investment advisers	Cazenove Fund Management Limited 12 Moorgate London EC2R 6DA	
Charity number	517177	

THE TRAPNELL FUND

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report and financial statements for the year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity'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) published in October 2019.

Structure, governance and management

Governing document

The trust was founded on 30 November 1985 by a gift from R L Trapnell and is governed under the terms of a Charitable Trust Deed.

Governing body

The trustees who have served during the year are set out on page 1. The trustees meet as required and, in any event, at least once a year.

Recruitment and appointment of trustees

New trustees are appointed by the existing trustees as and when vacancies arise and having regard to the skills and expertise of the individuals.

Induction and training of trustees

New trustees are given a copy of the governing document and briefed on the responsibility of charity trustees.

Organisational management

The trustees determine the trust's vision, values, strategy and policies. Day to day management is exercised by the Chairman and Secretary.

Risk management

Other than investment risk, which is dealt with below, the major risk is that the cost of scholarship exceeds available income. The risk is managed by the trustees when considering the appointment of new scholars.

Objectives, activities and public benefit

Charitable objects

The objects of the Trust are:

- 1 To support or promote the advancement of education by the provision of bursaries and scholarships at Rossall School and by the provision of grants and scholarships to persons leaving Rossall School for full-time education at any university, college, school or other educational establishment.
- 2 To support or promote the purposes of the Rossall School Endowment Fund.
- 3 To support or promote such charitable purposes as the trustees may in their absolute discretion determine after taking into account the settler's wish that if Rossall School ceased to operate or if it is nationalised or if any other reason the payment of school fees becomes unnecessary the trustees

THE TRAPNELL FUND

TRUSTEES' ANNUAL REPORT (*CONTINUED*)

FOR THE YEAR ENDED 31 AUGUST 2021

shall transfer the Trust Fund equally between the National Trust, Kings College Cambridge and the Woodland Trust.

The trustees may, within a period of 21 years from the creation of the Trust, accumulate the whole or any part of the income and shall hold such accumulation as an accretion to the capital of the Trust Fund.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, and in planning future activities and setting up the grant making policy for the year.

Grant-making policy

Scholarships are awarded by the trustees on the basis of recommendations by the Head of Rossall School, in accordance with the guidelines agreed from time to time by the Trustees.

Financial review and results for the year

During the year the fund paid school fees of £98,997. Net unrestricted income funds have increased by £9,468.

Reserves policy

In accordance with the wishes of the settlor, the endowment funds are maintained at least in line with inflation so that there is sufficient income to pay the full fees and extras of the scholars. Scholarships are awarded by the trustees on the advice of the Head of Rossall School.

The accumulated unrestricted income at 31 August 2021 represents the equivalent of four to five terms' full boarding fees for 3 pupils.

Investment strategy and performance

The objective of the fund is preservation and growth of capital and achievement of income. Within this context, a spread of investments is made. In this way, it is hoped to achieve the necessary balance to ensure the objectives of the fund are achieved.

The School Trust Funds are held under management by Cazenove Capital Investment Ltd with whom the School's Investment Committee meets during the year. The Investment Committee's chairman also confers regularly with Cazenove and reports directly to the School's Council at its meetings during the year.

The School funds are deemed by the investment manager, Cazenove Capital, to be appropriate given its objectives of real capital growth and a 4% dividend distribution. Within the portfolios a cash position is maintained which provides some extra protection against any negative fund movements.

During the past year all funds achieved a positive growth of over 14%. The funds in which the School is invested were not materially impacted by the big dividend falls seen in equities in 2020 given asset diversification; in fact, distribution fell only 1% in 2020 from 2019 levels compared with a fall of over 30% of U.K. dividends over the same period.

The Managers expect that the on-going recovery and low interest environment will be supportive of equity markets, with opportunities in areas such as health-care and technology. Despite this more volatility could be seen as growth momentum cools, inflation remains at elevated levels and central banks begin the process of normalising policy. In view of these factors the Managers have adopted defensive measures as well as keeping the exposure to gold under close review.

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TRUSTEES' ANNUAL REPORT (*CONTINUED*)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees' responsibilities for the accounts

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 & 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 2019 (FRS 102);
- make judgments 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 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, the Charity (Accounts Reports) Regulations 2008 and trust deed. They 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustee on 22 November 2021 and signed on their behalf by:

N.K.S. Ward

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Trustee

THE TRAPNELL FUND

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES

Opinion

We have audited the financial statements of the Trapnell Fund for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE TRAPNELL FUND

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES (*CONTINUED*)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; 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.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE TRAPNELL FUND

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries with management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations;
- Enquiries with management and those charged with governance about any known or suspected instances of fraud; and
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls.

Because of the field in which the client operates we identified that compliance with the Charities Act is the area most likely to have a material impact on the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 audit work, for this report, or for the opinions we have formed.



MHA Moore and Smalley
Chartered Accountants & Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

22/11/2021

Date:

MHA Moore and Smalley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE TRAPNELL FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted income fund £	Endowment funds Funding account £	Capital Account £	Total 2021 £	Total 2020 £
Income from						
Investments:						
Dividends		106,189	-	-	106,189	105,320
Interest on stockbroker's account		9	-	-	9	602
Interest on loan to School		7,644	-	-	7,644	7,644
Total income		113,842	-	-	113,842	113,566
Expenditure on						
Charitable activities	2	104,374	-	-	104,374	120,183
Total expenditure		104,374	-	-	104,374	120,183
Net income / (expenditure) before other recognised gains and losses		9,468	-	-	9,468	(6,617)
Gains / (losses) on quoted investments		-	-	274,186	274,186	(22,576)
Net income / (expenditure)		9,468	-	274,186	283,654	(29,193)
Other recognised gains and losses						
Loan indexation		-	-	18,761	18,761	4,186
Net movement in funds		9,468	-	292,947	302,415	(25,007)
Funds brought forward		138,615	1,400,000	1,849,850	3,388,465	3,413,472
Funds carried forward		148,083	1,400,000	2,142,797	3,690,880	3,388,465

The fund has no acquired or discontinued activities and all recognised gains and losses are shown above.

The comparative statement of financial activities can be found in note 10 to the accounts.

THE TRAPNELL FUND

BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Quoted investments	3		2,826,045		2,476,200
Other investments	4		611,659		764,574
			3,437,704		3,240,774
Current assets					
Debtors	5	18,837		7,868	
Cash held by stock broker		236,478		141,690	
		255,315		149,558	
Current liabilities					
Creditors	6	(2,139)		(1,867)	
Net current assets			253,176		147,691
Net assets	7		3,690,880		3,388,465
Funds					
Endowment – Funding account			1,400,000		1,400,000
Endowment – Capital account			2,142,797		1,849,850
Unrestricted income			148,083		138,615
			3,690,880		3,388,465

The accounts were approved by the Trustees on 22 November 2021

N.K.S. Ward

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Trustee

THE TRAPNELL FUND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting Policies

Basis of preparation

The accounts (financial statements) have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and 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 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts, and are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. Covid-19 did not have a significant impact on investment performance in 2020-21 and, the trustees do not expect the ongoing effects of the pandemic to have a significant impact in relation to expected future performance, or on future asset valuations. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The Trustees have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Funds structure

Details of the funds can be found within the Trustees' Annual Report.

THE TRAPNELL FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (continued)

Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Income

All incoming resources are included in the SOFA once the Trust has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably. All income was unrestricted in the current and previous year.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure has been classified under headings that aggregate all costs related to the category. All expenditure was unrestricted in the current and previous year.

2 Analysis of expenditure on Charitable Activities

	2021	2020
	£	£
Educational Purposes of Rossall School		
Due to Rossall School (see note 8)	98,997	115,185
Governance costs (honorary - Secretary)	375	375
Investment Management Fees	5,002	4,623
	104,374	120,183

THE TRAPNELL FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3	Quoted investments	2021	2020
		£	£
	Market value at 1 September 2020	2,476,200	2,453,841
	Additions during the year	75,659	44,935
	Disposals during the year	-	-
	Realised and unrealised investment (losses) / gains	274,186	(22,576)
	Market value at 31 August 2021	2,826,045	2,476,200

	Cost at 31 August 2021	2,491,072	2,415,413
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4	Other investments - Loans to Rossall School	2021	2020
		£	£
	Balance b/fwd	764,574	764,574
	Advance in year	-	-
	Repayment in year	(171,676)	(4,186)
	Indexation	18,761	4,186
	Balance c/fwd	611,659	764,574

The capital sum is index linked and was repayable over ten years with the final repayment in 2021. This was then extended such that the final repayment is now due in 2024. The loan is unsecured and bears interest on the indexed capital sum at a rate of 1% (2020: 1%).

5	Debtors	2021	2020
		£	£
	Amounts due from Rossall School	17,037	6,068
	Amounts due from the Jackson Fund	1,800	1,800
		18,837	7,868

THE TRAPNELL FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6	Creditors – amounts falling due within one year	2021	2020
		£	£
	Amounts due to Rossall School	-	-
	Accruals	2,139	1,867
		2,139	1,867

7	Analysis of net assets by fund – current year	Unrestricted	Endowment funds		
		Income	Funding	Capital	Total
		£	£	£	£
	Quoted investments	-	683,248	2,142,797	2,826,045
	Other investments	-	611,659	-	611,659
	Debtors	18,837	-	-	18,837
	Cash held by stockbroker	131,385	105,093	-	236,478
	Creditors	(2,139)	-	-	(2,139)
		148,083	1,400,000	2,142,797	3,690,880

Analysis of net assets by fund – previous year

	Unrestricted	Endowment funds			
	Income	Funding	Capital	Total	
	£	£	£	£	
	Quoted investments	-	626,350	1,849,850	2,476,200
	Other investments	-	764,574	-	764,574
	Debtors	7,868	-	-	7,868
	Cash held by stockbroker	132,614	9,076	-	141,690
	Creditors	(1,867)	-	-	(1,867)
		138,615	1,400,000	1,849,850	3,388,465

8	Grants, awards and prizes	2021	2020
		£	£
	Grants, awards and prizes included in charitable activities comprised:		
	Scholarships, grants etc net of parents' contributions	98,997	115,185

The above educational awards were made to four pupils at Rossall School (2020: seven)

9	Trustees	
	The trustees give their time voluntarily and they receive no remuneration, benefits or expenses from the fund. All audit and accountancy fees are paid by the Corporation of Rossall School.	

THE TRAPNELL FUND

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Statement of financial activities – previous year

	Notes	Unrestricted income fund £	Endowment funds Funding account £	Capital Account £	Total 2020 £	Total 2019 £
Income from						
Investments:						
Dividends		105,320	-	-	105,320	101,947
Interest on stockbroker's account		602	-	-	602	1,026
Interest on loan to School		7,644	-	-	7,644	7,644
Total income		113,566	-	-	113,566	110,617
Expenditure on						
Charitable activities	2	120,183	-	-	120,183	113,524
Total expenditure		120,183	-	-	120,183	113,524
Net income / (expenditure) before other recognised gains and losses		(6,617)	-	-	(6,617)	(2,907)
Gains / (losses) on quoted investments		-	-	(22,576)	(22,576)	(55,496)
Net income / (expenditure)		(6,617)	-	(22,576)	(29,193)	(58,403)
Other recognised gains and losses						
Loan indexation		-	-	4,186	4,186	18,154
Net movement in funds		(6,617)	-	(18,390)	(25,007)	(40,249)
Funds brought forward		145,232	1,400,000	1,868,240	3,413,472	3,453,721
Funds carried forward		138,615	1,400,000	1,849,850	3,388,465	3,413,472

THE TRAPNELL FUND

SCHEDULE OF INVESTMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

Units held	Quoted investments	Market value at 31 August 2021 £	Cost at 31 August 2021 £
4,677,333.90	Schroder Charity Multi-Asset Fund	<u>2,826,045</u>	<u>2,491,072</u>
		<u>2,826,045</u>	<u>2,491,072</u>