

# JOHN LAING CHARITABLE TRUST

Trustees' Annual Report and Accounts  
For the year ended 31 December 2015

33 Bunn's Lane, London NW7 2DX  
Charity registered in England and Wales No 236852

# John Laing Charitable Trust

Charity number 236852

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# John Laing Charitable Trust

Charity number 236852

The John Laing Charitable Trust (No. 236852) was established under a Trust Deed dated 21 December 1962.

## **Reference and Administrative details**

**Trustees** Sir John Martin K Laing - Chairman  
Christopher M Laing  
Lynette G Krige  
Christopher B Waples  
Daniel J Partridge

**Trust Director** Jennifer Impey

**Registered Office** 33 Bunn's Lane  
Mill Hill  
London NW7 2DX

**Auditors** KPMG LLP  
15 Canada Square,  
London,  
E14 5GL

**Bankers** HSBC Bank plc  
101-103 Station Road  
Edgware  
Middlesex HA8 7JJ

**Solicitors** Linklaters  
One Silk Street  
London EC2Y 8HQ

**Investment Manager** Charles Stanley  
25 Luke Street  
London  
EC2A 4AR

# John Laing Charitable Trust

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The Trustees present their annual report and audited financial statements for the year ended 31 December 2015. The financial statements have been prepared in accordance with accounting policies as set out in note 1 to the financial statements and comply with the Charity's Trust Deed and in accordance with the Statement of Recommended Practice: 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

## Structure, Governance and Management

The John Laing Charitable Trust (the "Trust") is governed by the Deed of the Trust dated 21 December 1962 as modified by a number of supplemental deeds (the "Deeds"). The Trust was set up by John Laing Group plc (the "Company") with very general charitable objectives. The Trust was later combined with the Laing Benevolent Fund (the "Fund") which had been set up in 1932 by Sir John Laing in order to provide for hardship to staff who had done valuable work for the Company and served considerable time. The Company originally covenanted to make payments to the Trust of £10,000 per year for a period of seven years. With additional payments and gifts of Company shares over a period of time and Trustees' careful stewardship of the Trust's resources, investment assets have grown and have a valuation as at 31 December 2015 of £57.1 million. The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within guidelines established by the Trustees. The income received from these investments is utilised to fund the Trust's welfare payments and its charitable work as a grant-making charity.

The Trustees are responsible for the general control and governance of the Trust. The Trustees give their time freely and receive no remuneration or other financial benefits. Details of the Trustee expenses and related party transactions are disclosed in notes 11 and 16 to the accounts. Trustees are required to disclose all relevant interests and register them with the Board of Trustees and in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The Trustees formally meet twice a year and as deemed necessary. There are established procedures for making decisions between meetings. The Trustees review policies and activities of the Trust on a regular basis.

The day to day administration and the processing and handling of applications is delegated to the Trust Director, Jennifer Impey. The Trust Director, together with the Office Manager and 7 members of Welfare Team are directly employed by the Trust. One Welfare Officer remains to be employed for administrative purposes by John Laing Services Limited ("JLS"), a subsidiary of the Company. Costs of work which solely relate to the Trust are reimbursed to JLS.

The Trust is a member of the Association of Charitable Foundations ("ACF"). The ACF provides information on good practice, changes in the law affecting charities and acts as an authoritative lobby on behalf of the charitable foundations with the government and regulators.

## Appointment of Trustees

The power to appoint new Trustees was initially fully vested in the Company, which was instrumental in setting up the Trust. In December 2014, the Company gave up this power, only retaining their right to appoint two ("Company Trustees") of the maximum eight Trustees with the remaining six ("non-Company Trustees") to be appointed by the Trustees. Trustees are recruited for their experience, empathy and knowledge of the Trust and its values and to keep the skills and composition of the trustee body. There were no changes to the Trustees during the year.



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## Induction and training of Trustees

On appointment, new Trustees will be given an induction by the Trust Director which includes a welcome pack containing the history of the Trust, a copy of the Trust Deed as well as minutes of the previous year's Trustees meetings, the latest published accounts and budget for the current year.

The Trustees are kept abreast of the latest legal and regulatory developments and range of available training through the Trust's membership of the ACF, their website, regular publications and professional development programme if required.

## Pay policy for senior staff

Until August 2014, the majority of staff were employed by John Laing Services Limited ("JLS") for administrative purposes. JLS charged the Trust for all work relating to the Trust's activities. Since then, a total of 8 members of staff were transferred from JLS to the Trust under TUPE and therefore all terms and conditions of employment were maintained. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings.

## Objectives and Activities

The short and long term objects of the Trust are the same. They are to provide for hardship to qualifying former and existing staff and to make grants for the benefit of the public as shall be exclusively charitable which the Trustees from time to time may determine in their absolute discretion.

The principal activities of the Trust include:-

- **Welfare:** In recognition of the Trust Deed, the Trustees consider that the welfare of pensioners of the Company should be the first priority of the Trust. This is managed through provision of a dedicated team of Welfare Officers who carry out planned, targeted and prioritised visits firstly to those previously identified as being in need, secondly to those former employees that are over 75 years of age, and then finally where time permits to more general visits to pensioners. Where applicable, Welfare Officers may recommend financial assistance. Hardship payments are also available to existing staff and applications are assessed by the Trust Director.
- The Trust supports the **Company's charitable activities** including its engagement in the community both in the UK and currently in Australia and the United States of America. The Trust also support a number of the Company's staff initiatives by way of matching their fundraising efforts (the "Staff Matching" scheme) up to the value of £1,500 per individual event; making a £1,000 grant to charitable or not for profit organisations where staff and/or their immediate family are actively involved in (the "Make a Difference" scheme); up to £1,000 donations to chosen charitable organisations nominated by staff who are being rewarded for their long service and exemplar contribution to the Company; the Trust also makes a £5,000 grant to the winning charity in lieu of the Company sending Christmas cards.
- The Trustees in their discretion make **grants to charitable organisations** and have currently placed a priority on the concerns of homelessness, disadvantaged young people, education and the regeneration of communities which include payments made to old age related concerns.

The Trustees aim to distribute all income received after welfare payments and support for Company's charitable activities. The Trustees are sympathetic to the challenges faced by charities and aim to make grants which respond directly to the priorities identified by our charity partners. They consider appropriateness of each application and award grants based on their merits. The cessation of processing of uninvited applications has allowed for a more proactive approach to giving and has made some efficiencies in the operations of the Trust.

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However, the Trustees are committed to supporting smaller organisations and so the Trust engaged with three Community Foundations, each with a £20,000 fund, to administer small grants of up to £1,000 on behalf of the Trust. In total during the year and excluding welfare payments, the Trust paid grants amounting to £929,000 contributing to a net cash outflow of £145,000 after expenditure on charitable activities.

## Public Benefit

The Trustees confirm they have referred to and complied the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year. The Trustees note that grant making to charitable organisations fulfils their obligation to provide a public benefit. In addition, the Trust provides on a peppercorn rent basis, the use of its asset, Caldew House, to Gateshead Carers who aims to use the house to provide holiday/short breaks to those who have a caring role and/or are cared for.

## Grants Strategy

Trustees review the policies and activities of the Trust from time to time. The grant categories remain; Homelessness, Young Disadvantaged, Community Regeneration and Education. The Trustees are pro-active in their search and review of charity partners for major grants. The Trust introduced a charity registration system in November 2014 for the purpose of selecting charities to receive smaller grants. During the review of this process at the Trustees' board meeting in May 2015, the Trustees agreed that a better solution to fulfil their commitment to helping smaller charities is to engage the Community Foundations listed below to administer smaller grants on behalf of the Trust.

- Wiltshire and Swindon
- Lancashire and Merseyside
- Leicestershire and Rutland

The Trustees will review these engagements and use their discretion in determining future Community Foundations to engage with.

## Grant Making Policy

The guiding grant making principle is that grants should make a discernible difference to those the Trust supports. The Trust supports charities mainly in the United Kingdom and, occasionally, in countries where the Company operates. The Trust does not consider applications from individuals or organisations whose main purpose is for the welfare of animals. The Trustees consider grants at board meetings and as required.

Major grants for revenue expenditure purpose range from £7,500 to £50,000 per year. Some grants are awarded for multiple periods of up to three years. Following review of multi-year donations during the October 2015 board meeting, the Trustees agreed that multi-year grant applications will be subject to annual review and therefore Trustees are only pledging to consider subsequent year's donation subject to satisfactory outcome of previous year donation's impact report.

Smaller donations between £500 and £1,500 are paid under Staff Matching, Make a Difference and Long Service Award schemes available to current employees of the Company and a number of one-off grants are also given up to value of £5,000.

A number of select Community Foundations are engaged to administer grants to smaller charities where a grant limit of £1,000 when awarded will make a discernible difference to the project and/or its beneficiaries.

The Trust also supports capital grants. The Trustees must exercise their discretion carefully when making and reviewing capital grants to ensure they are in the best interests of the Charity. There was no capital pledge made during the year (2014 - £500,000 was pledged to Hertfordshire Groundwork to support it in establishing a base which would enable the charity to better respond to local needs and expand its portfolio of operations / create facilities which would enable the plethora of Groundwork environmental education and training projects to be expanded further and delivered in an appropriate setting).

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## Principal Risks and Uncertainties

Trustees are responsible for monitoring the risks facing the Trust and ensuring arrangements to manage these risks are reviewed at every board meeting. The risk management process involves identifying potential risks, the likelihood of these risks arising and severity of their impact, as well as reviewing the measures taken to mitigate against them. The Trustees review risks at every board meeting and at all level of Trust's activities. The main risk facing the Trust is future recruitment of Welfare Officers to replace those wishing to retire. Welfare Officers have been former employees of the Company, an important aspect of the role. There is active search for potential Welfare Officers by the welfare team as they visit pensioners and there had been a positive response. To raise awareness, an article about the role was also included in the quarterly Retired Employee's News. This together with other risks will continue to be reviewed at each Trustees' meeting. The Trustees are satisfied that adequate steps are being taken to ensure other identified risks are properly mitigated.

## Achievements and Performance

**Welfare of pensioners:** Welfare team to carry out planned visits prioritising those who have previously been identified as being in need and those over 75 years and where appropriate, to recommend financial assistance:

During the year, the Welfare team carried out a total of 1,869 visits (2014 - 1,844) comprising of 1,279 home visits (2014 - 1,442), a further 590 (2014 - 402) contacts were made with former employees by other means. There were changes to the welfare team during the year. Letters were sent to pensioners to communicate these changes. Where applicable, the Welfare team make contact by telephone. These may be due to pensioners living in remote places or it is a follow-on from a home visit.

As a result of these visits the Trustees were able to make informed decisions on how best to give financial support and assistance to those most in need. In 2015, total payments made in relation to Welfare activities amounted to a total of £646,000 (2014 - £603,000) to approximately 415 (2014 - 451) beneficiaries, most of whom received more than one payment during the year.

**Support the Company's charitable activities:** To make funds available to support staff schemes and the Company's engagement in the community both in the UK and Overseas.

During 2015, Trust made a combined charitable donation of £91,000 (2014 - £73,000) in respect of initiatives offered to staff including donation in lieu of Christmas card. The Trustees allocate around £200,000 in support of the Company's charitable activities inclusive of staff initiatives and the delivery of their commitment to corporate social responsibility and community investment strategy. Donations made by the Trust to organisations are recorded within the charitable donations below in order to sort the donations under the sector headings the Trust operates in.

**Charitable Donations:** Having particular regard to the increasing needs faced by many charities resulting from funding cuts and the decline in investment returns in the current economic environment, the Trustees set a net cash deficit for 2015.

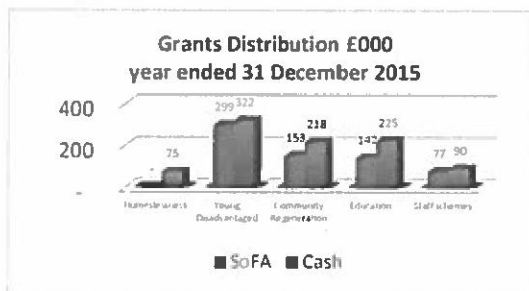
The Trustees are committed to helping smaller charities. During 2015, this commitment was demonstrated by engagement of three community foundations to administer small donations of up to £1,000. Each was set with an annual revenue/flow-through fund of £20,000.

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The summary of donations made to the Trust's and Company's charity partners during the year is as follows:-

	SoFA £	Cash £
Homeslessness	-	75
Young Disadvantaged	299	322
Community Regeneration	153	218
Education	142	225
Staff schemes	77	90
Year ended 31 December 2015	671	930
Year ended 31 December 2014	1,062	809



Details of donations made to Company's and the Trust's charity partners during the year are:-

	SoFA £	Cash £
<b>Homeslessness</b>		
Homeless Link	-	25,000
Fareshare	-	40,000
Depaul	-	10,000
	-	75,000
<b>Young disadvantaged</b>		
Business in the Community	32,922	32,922
The Prince's Trust	25,000	25,000
Bede House	-	20,000
Kidscape	10,000	10,000
Coram Voice	40,000	40,000
Afasic	-	10,000
IPSEA	-	20,000
Leap	50,000	50,000
Ormiston Families	-	25,000
Arvon	22,000	22,000
Crossroads Children's Home	5,000	5,000
NESTS	5,000	5,000
Glasgow Children's Holiday Scheme	5,000	5,000
Manchester Settlement	25,300	25,300
NWG Network	78,900	26,300
	299,122	321,522
<b>Community Regeneration</b>		
Denver Rail Project	-	10,000
Myatt's Field (OLMEC)	-	5,000
Kirklees	-	520
Trafford Hall	-	50,000
Church Action on Poverty	10,000	10,000
Alzheimer's Research UK	25,000	25,000
SilverLine	25,000	25,000
Retirement clubs charity requests	5,100	5,100
Wiltshire & Swindon Community Foundation	22,000	22,000
Lancashire & Merseyside Community Foundation	22,400	22,400
Leicester & Rutland Community Foundation	22,400	22,400
Cumbria Community Foundation	25,000	25,000
Barnsley micro fund repayment of fund	(25,000)	(25,000)
Fontaines 1001	18,339	18,339
Siniford minibus	3,000	3,000
	153,239	218,759
<b>Education</b>		
The Prince's Teaching Institute	-	7,500
Envision	-	10,000
Young Enterprise	30,000	30,000
Mosaic	25,000	25,000
National Literacy Trust	-	20,000
The Reading Agency [World Book Night]	-	25,000
Place 2Be	-	20,000
Teach First	24,000	24,000
Atlantic College	25,915	25,915
Hertfordshire Groundwork	37,500	37,500
	142,415	224,915

# John Laing Charitable Trust

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## Financial Review

The Trustees aim to make grants out of income for a variety of purposes from the investments held by the Trust in each financial year whilst preserving the long-term real value of the assets. During periods when the value of the Trust's assets is rising year on year the Trustees are likely to set deficit budgets. The Trustees continue to achieve the objectives of the Trust by careful management of the endowment in prevailing markets in order to preserve the long term value of the investments in real terms as well as maximising the income the portfolio can generate for disbursement.

Income £000	31 December 2015	31 December 2014
	1,996	1,910

The portfolio mix has been selected to deliver income in the region of £2.0 million, therefore the income received in the year is line with expectations. All income was generated from the portfolio of investments. There are no other sources of income other than these. The Trustees aim to maximise grant spending from income received in the year. Whilst the results show a net income in the year of £78,000, the Trust expenditure on grants and charitable activities exceed the income received by £145,000 in cash terms.

Expenditure on charitable activities £000	31 December 2015	31 December 2014
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- Total grants paid and accrued to institutions 671 1,062  
The above are net of returned grant due to a cancelled project of £25,000 (2014 - £500,000 withdrawn capital pledge). The decrease was due to fewer multi-year donations granted during the year compared to the previous year's. In 2015, payments of £319,000 were made out against accrued multi-year grants awarded in 2014.
- Welfare payments to pensioners 646 603  
These payments were made to approximately 415 (2014 - 451) beneficiaries and includes 2 gratuity payments which the Trustees at their discretion review on a regular basis. The needs of some of the beneficiaries have changed over the recent years resulting in an increase in higher value grants. These have been essential needs to provide a better quality of life for our beneficiaries.

### Other charitable costs – in terms of work undertaken including administrative support in connection with:-

- |   |     |     |
|---|-----|-----|
| • Welfare activities  | 348 | 338 |
| • To functions and operations in relation to various John Laing Senior Citizens Club. | 82  | 92  |
| • Distribution of grants to institutions  | 171 | 166 |

There were tax savings made as a result of staff's employment being transferred to the Trust in August 2014. However, this was negated by legal expenses incurred in re-leasing of Trust's property, Caldew House, to Gateshead Carers. The Trust also incurred costs in construction of a car park for sole use of Caldew House enhancing the property and safety of users of the house.

# John Laing Charitable Trust

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**Investments:** Market Value £000

31 December 2015

31 December 2014

57,086

58,106

The Trustees seek to optimise performance through a diversified asset portfolio applying a medium high risk strategy. Out of £57.1 million of assets, £47.8 million of the Trust's portfolio is managed by Charles Stanley against a range of indicators and benchmarks deemed satisfactory by the Trustees. Investments are made under the constraints placed by the Trustees as described in the Investment Policy below. The rest of the investments are monitored directly by the Trustees and relate to investments in Eskmuir Properties Limited, Diversified Portfolio for Charities and John Laing Infrastructure Fund.

The portfolio value declined by 1.76% in the year. Uncertainties in domestic and international bond and equity markets as well as impact of falling oil prices resulted in 2.63% decline in valuation. This had been offset by increase in the valuation of investments in UK property sector of .87%. For the year just ended, net losses on the investments amounted to £1,020,000 (2014 - £1,990,000 gain).

Cash investments of £1.1 million are held within the portfolio to allow the Investment Manager flexibility to purchase investments at opportune time. This cash will be released should payment of part of the £900,000 capital pledge be called upon. See note 10.

## Investment Policy

The Trust retains the services of Charles Stanley & Co Limited who operate within guidelines established, and are regularly reviewed, by the Trustees. The Trustees have an uncontrolled discretion as to how the Trust's property is invested, and their powers contained in the Deeds are to invest as if they were the beneficial owners of the Trust property.

The Trust seeks to produce the best financial return within a medium level of risk and within the following ethical parameters. Any investments made on behalf of the Charity must comply with the following restrictions:

- Overseas investments are to be held indirectly and must not contain investments in Japan, Russia, Syria or countries with embargo.
- Overseas investments must not be more than 5% in Europe and China and no more than 30% in America. There should be no direct investments in companies predominantly involved in the production of alcohol, armaments or tobacco.

The investment policy of the Trustees is to achieve medium-term growth of capital, from the portfolio. The assets should be managed to at least maintain the real capital value of the portfolio, whilst generating a sustainable level of income to support the various charitable activities.

## Reserves Policy

The Trust does not run a specific Reserves Policy. The Trustees manage the assets of the Trust as "expendable endowment" to provide income from which to make grants. The whole endowment therefore is available to act as reserves. In practice, the Trustees budget to maintain the level of investment to increase in line with inflation and to spend all of income received in the period.



# John Laing Charitable Trust

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## Plans for future periods

The Trustees have no immediate intentions to change the objectives of the Trust. The provision of welfare service adapts to the changing needs of the ageing population of former employees in need of assistance. Over time, their number is expected to decline and as they do so, the balance of charitable donations will increase compared to the expenditure on welfare services. The impact of this change on resources will be reviewed regularly.

There will be continued review of grant making policy as well as impact measurement and reporting to ensure grants are making a real difference. Trustees will seek opportunities to achieve a multiplier effect to the grants they award whether as a leverage to attract other funders or to form partnerships with them.

We strive to manage the operations of the Trust as efficiently as possible. The engagement of Community Foundations to administer small grants meant the Trust had been able to reach many more smaller charities. This has been positively received by charities as it provides them with clarity. It has also resulted in marked decrease in the amount of unsolicited requests we receive contributing to the efficiency of the running of the Trust. Some changes were made to the structure of staff to reflect the current needs and functions of the Trust. The Trust Director will review software and database currently in use by the Trust to explore opportunities for further efficiency and effectiveness.

## Designated Funds

Following the sale of the final tranche of John Laing plc shares at the end of December 2006, the Trustees agreed to set aside up to £2.0 million which they will consider spending if a small number of significant projects can be identified which will make a substantial difference to the charity concerned. The balance of these designated funds is £616,000 as per note 15 to the accounts. There are potentially two projects which subject to them achieving credible certainty will be considered by the Trustees for allocation of grant against these funds.

## Disclosure of information to the auditor

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- so far as that Trustee is aware, there is no relevant available information of which the Charity's auditor is unaware.
- that Trustee has taken all steps that the Trustee ought to have taken as a Trustee to make himself/herself aware of any relevant audit information, and to establish that the Charity's auditor was aware of that information.

# John Laing Charitable Trust

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## Statement of Trustees' Responsibilities

Under the Trust Deed of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the Trust deed, 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 business.

The Trustees are required to act in accordance with the Trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by the Board of Trustees on **16 June** 2016 and signed on its behalf by:



Sir John Martin K Laing  
Chairman



# John Laing Charitable Trust

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## Independent auditor's report to the Trustees of John Laing Charitable Trust

We have audited the financial statements of John Laing Charitable Trust for the year ended 31 December 2015 set out on pages 12 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charity's Trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, 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 (or its predecessors) 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

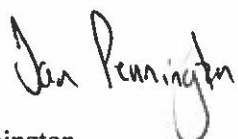
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

### 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
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

 30th June 2016

Ian Pennington  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 Canada Square  
London, E14 5GL

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# John Laing Charitable Trust

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## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds 2015 £'000	Unrestricted Funds 2014 £'000
<b>Income and endowments from:</b>			
Investments	2	1,996	1,910
<b>Total</b>		<b>1,996</b>	<b>1,910</b>
<b>Expenditure on:</b>			
Charitable activities	3	(1,918)	(2,263)
<b>Total</b>		<b>(1,918)</b>	<b>(2,263)</b>
<b>Net incoming/(outgoing) resources for the year before other recognised gains and losses</b>		<b>78</b>	<b>(353)</b>
Net (losses)/gains on investments		(1,020)	1,990
<b>Net (expenditure)/income</b>		<b>(942)</b>	<b>1,637</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		57,235	55,598
<b>Total funds carried forward</b>		<b>56,293</b>	<b>57,235</b>

All funds are unrestricted funds.

The results shown above relate to continuing activities.

The notes on pages 15 to 21 form part of these accounts.

# John Laing Charitable Trust

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## BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed Assets</b>			
Freehold property		24	24
Investments	6	57,086	58,106
		<u>57,110</u>	<u>58,130</u>
<b>Current Assets</b>			
Debtors	9	189	224
Cash in bank and on call		233	378
		<u>422</u>	<u>602</u>
<b>Creditors: amount falling due within one year</b>	10	(287)	(357)
<b>Net current assets</b>		<u>135</u>	<u>245</u>
<b>Total assets less current liabilities</b>		<u>57,245</u>	<u>58,375</u>
<b>Creditors: amount falling due after more than one year</b>	10	(952)	(1,140)
<b>Net assets</b>		<u>56,293</u>	<u>57,235</u>
<b>Funds</b>			
General Fund		55,677	56,619
Designated Fund	15	616	616
<b>Unrestricted funds</b>		<u>56,293</u>	<u>57,235</u>

Approved by the Board of Trustees on 16 June

2016 and signed on its behalf by:



Sir John Martin K Laing  
Chairman

The notes on pages 15 to 21 form part of these accounts.

# John Laing Charitable Trust

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities	13	<u>(2,173)</u>	<u>(1,979)</u>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		2,028	2,282
Proceeds from sale of investments		5,677	1,975
Purchase of investments		(6,725)	(3,079)
Decrease in cash held with investment manager		1,048	1,104
		<u>2,028</u>	<u>2,282</u>
(Decrease)/increase in cash		<u>(145)</u>	<u>303</u>
Cash and cash equivalents at the beginning of the period	14	<u>378</u>	<u>75</u>
Cash and cash equivalents at the beginning of the period	14	<u>233</u>	<u>378</u>

# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts

### 1. Accounting policies

#### Basis of preparation

The John Laing Charitable Trust meets the definition of a public benefit entity under FRS102. These accounts have been prepared on a going concern basis under the historic cost convention, with the exception of investments which are included at market value, as deemed appropriate by the Trustees.

The 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and applicable UK Accounting Standards and the Charities Act 2011.

The principal accounting policies adopted are as follows:-

#### a) Valuation of investments

- i) Listed securities are valued at mid-market value ruling at the balance sheet date.
- ii) Unit Trust investments are stated at the average of the unit bid and offer prices quoted by the manager at the balance sheet date.
- iii) Unlisted securities are valued having due regard either to professional valuation, asset values, and/or other appropriate financial information.
- iv) Investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling at the balance sheet date.

#### b) Recognition of realised and unrealised investment gains

All investments are stated at market value at the balance sheet date. Revaluation adjustments and profits or losses on the sale of investments are included under the increase in realised and unrealised gains/losses on investments in the Statement of Financial Activities.

#### c) Freehold property

Freehold property is included in the balance sheet at historic cost. The property is not depreciated as the carrying value is less than recoverable amount. Impairment reviews will be conducted on an annual basis by the Trust to ensure the cost recognised on the balance sheet remains appropriate.

#### d) Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

#### e) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### f) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts (continued)

### 1. Accounting policies (continued)

#### g) Investment income

Income on deposits has been accounted for on an accruals basis. All other investment income has been taken into account on the basis of due date for payment. Foreign income is translated into sterling at the rate ruling at the date of the transaction.

#### h) Resources expended

Other than grant expenditure, all expenditure is accounted for on an accruals basis.

Support costs, which are apportioned on a time basis between management and welfare, of the Charity relate to the assessment, distribution and monitoring of grants made to registered charities. These costs also include a proportion of the running costs (rent, rates, telephone etc.) of the office.

Other charitable costs include the cost of the Welfare Manager and Officers and part time administrator who arrange and carry out and record visits to retired employees to assess the level of need. These charitable costs also include a proportion of the running costs (rent, rates, telephone etc.) of the office.

Costs in relation to the Senior Citizens' Clubs include the design, production and distribution of a quarterly news journal to all retired employees together with support for a network of clubs for the mutual support of former employees.

These costs include attributable VAT costs that cannot be recovered.

#### i) Grants expenditure

Grant expenditure is recognised when committed and communicated to the future recipient, or on payment if sooner.

#### j) Tax

The John Laing Charitable Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts (continued)

### 2. Investment Income

	2015 £000	2014 £000
Listed investments, including unit trusts		
UK	1,659	1,666
Overseas	159	102
Unlisted		
UK	176	141
Interest	2	1
	<u>1,996</u>	<u>1,910</u>

### 3. Charitable activities

(a) The total grants payable and accrued were £1,317,000 (2014 - £1,665,000) net of returned grant of £25,000 (2014 - £500,000 withdrawn capital grant).

(b) The 50 largest payments made to charitable organisations during the year were:

NWG Network	78,900	Slinfold Mini Bus Club	3,000
Leap	50,000	St Marks Church, Wyke	2,500
Coram	40,000	British Heart Foundation	2,000
Hertfordshire Groundwork	37,500	The Friends of Potten End School	1,814
The Prince's Trust	34,565	Student Sponsor Partner	1,500
Business in the Community	32,922	Wanstead Playgroup Association	1,500
Young Enterprise	30,000	Great Ormond Street Hospital Children'	1,500
Atlantic College	25,915	Macmillan Cancer Support	1,340
Manchester Settlement	25,300	Shelton Athletic Football Club	1,215
Cumbria Community Foundation	25,000	HCPT The Pilgrimage Trust	1,112
Mosaic	25,000	Alzheimers Society	1,100
The Silverline	25,000	St Peter's Hospice	1,100
Alzheimers Research UK	25,000	Montessori Education for Autism	1,000
Teach First	24,000	Seflon Carers	1,000
Lancashire CF	22,400	Horwich Parish CE PTA	1,000
Leicester & Rutland CF	22,000	Greatworth St Peter PCC	1,000
Arvon	22,000	Puttenham School Assoc	1,000
Wiltshire Community Foundation	22,000	106 (Y) Regt RA	1,000
Fontaines 1001	18,339	Chai Cancer Care	1,000
Church Action on Poverty	10,000	DEBRA	1,000
Kidscape	10,000	The Children's Hospital at Westmead	1,000
Little Hearts Matter	5,500	Diamond Centre for Disabled Riders	1,000
NESTS	5,000	The Lung Foundation of Australia	1,000
Crossroads Children's Home	5,000	Friends of West Hove Infants School	1,000
Glasgow Children's Holiday Scheme	5,000	Gillingham Winter Sports Club	1,000

# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts (continued)

(c) The total grants paid and accrued to institutions was £671,000 (2014 - £1,062,000) net of returned grant due to cancelled project of £25,000 (2014 - £500,000 withdrawn capital pledge).

(d) Payments to individuals:

Grants to individuals totalled £646,000 (2014 - £603,000) to approximately 415 (2014 - 451) beneficiaries, most of whom received more than one payment during the year.

(e) Other charitable costs

	2015 £000	2014 £000
Charitable costs including those invoiced by John Laing Services Limited attributed solely to work undertaken by Welfare Officers in connection with the Trust's welfare payments to individuals (see 1(h), & 10).	348	338
Charitable costs carried by the Trust in relation to functions and operation of various John Laing "Senior Citizens' Clubs"	82	92

(f) Charitable activities of the support costs of the Trust

Charitable costs borne by the Trust including work undertaken by John Laing Services Limited solely in connection with the distribution of grants to institutions (see 1(h), & 12)

171	166
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## 4. Grants payable to charitable organisations

	2015 £000	2014 £000
Accrued at 1 January	1,459	1,163
Grants awarded in the year	1,342	2,165
Grants cancelled/withdrawn	(25)	(500)
Grants paid during the year	(1,575)	(1,369)
Accrued at 31 December	1,201	1,459

The Trustees must exercise their discretion carefully when making and reviewing capital grants to ensure they are in the best interests of the Charity. In April 2014, the Trustees learnt of significant changes to the basis on which the £500,000 funds were pledged to the charity, Bury Lake Young Mariners which regrettably resulted in the Trustees withdrawing the pledged amount.



# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts (continued)

5. The Auditor's remuneration for the year was £9,300 (2014 - £9,300) and related solely in respect of audit service in both financial years, no other work was undertaken.

6. Reconciliation of investments	2015 £000	2014 £000
Market value at 1 January	58,106	56,116
Purchases	6,725	3,079
Sales	(5,677)	(1,975)
Realised gains on investments	1,485	408
Increase in unrealised gains on investments	(2,505)	1,582
Cash held as investment	(1,048)	(1,104)
Market value at 31 December	57,086	58,106
Cost at 31 December	54,519	53,098

7. Analysis of investments at 31 December 2015	Cost £000	Market Value £000
Global fixed interest	9,562	9,589
UK Equities	35,750	34,989
Overseas and other Equities	5,368	6,530
Unlisted	2,735	4,874
Cash	1,104	1,104
Total	54,519	57,086

## 8. Material investments

At 31 December 2015, the investments in John Laing Infrastructure Fund Limited ("JLIF") is valued at £5.6 million representing 9.8% of the Trust's total assets. The investments in Eskmuir Properties Limited were partly sold to invest in Diversified Portfolio for Charities ("DPFC"). Respectively at 31 December 2015, these investments were valued at £2.5 million and £2.4 million representing 4.40% and 4.14% of the total assets.

## 9. Debtors

	2015 £000	2014 £000
Debtors	189	222
Other debtors	-	2
	189	224

# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts (continued)

<b>10. Creditors</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year		
Grants payable	249	319
Other creditors	38	38
	<u>287</u>	<u>357</u>
Amounts falling due after more than one year		
Grants payable	<u>952</u>	<u>1,140</u>

£900,000 of the grants payable relate to capital pledge made to UWC Atlantic College of £400,000 and Hertfordshire Groundwork of £500,000.

## 11. Trustees remuneration

The Trustees receive no remuneration for their services to the Trust. During the year, the total expenses reimbursed to a Trustee, incurred in the course of acting as a Trustee amounted to £223 (2014 - £8,806). These expenses relate to travel and subsistence of one trustee (2014 - two).

## 12. Staff numbers and costs

During the year, the Trust had the equivalent of 5 (2014 - 5) full time staff. One individual continues to be employed by John Laing Services Limited ("JLS") for administrative purposes. The total staff costs reimbursed by the Trust to JLS were for work solely attributed to the Trust. One individual is employed through an agency. The total staff costs reimbursed by the Trust to JLS, and to an employment agency for staff salaries including NI and pension contributions amounted to £359,000 (2014 - £369,000).

The key management personnel of the Trust comprise the Trustees and the Trust Director. One employee had employee benefits in excess of £60,000 (2014 - one employed through JLS during part of the year). Using payments from combined employment, the total employee benefits of the key management personnel of the Trust were £117,938 (2014 - £112,618).

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	242	101
Social security costs	25	10
Pension costs	<u>24</u>	<u>9</u>
Total direct staff costs	291	120
Recharged from John Laing Services Limited	44	217
Other agency staff	<u>24</u>	<u>32</u>
Total staff costs	<u>359</u>	<u>369</u>

# John Laing Charitable Trust

Charity number 236852

## Notes to the accounts (continued)

### 13. Reconciliation of total resources expended to cash outflows from expending resources

	2015	2014
	£000	£000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(942)	1,637
Dividend and interest received	(2,028)	(2,282)
Losses/(gains) on investments	1,020	(1,990)
Decrease in debtors	35	386
Decrease/(increase) in creditors	(258)	270
Net cash used in operating activities	(2,173)	(1,979)

### 14. Analysis of cash and cash equivalents

	2015	2014
	£000	£000
Cash in hand (sweep account with daily balance of £500)	-	-
Notice deposits	233	378
Total cash and cash equivalents	233	378

### 15. Designated funds

In 2007, the Trustees designated a total of £2.0 million to be considered for spending on a number of significant projects, not yet identified, which will make a substantial difference to the charity concerned. The Trustees are pro-actively searching for charities who will benefit from a capital grant. At 31 December 2015, the designated funds totalled £616,000 (2014 - £616,000).

### 16. Related party transactions

During the year, the Trust reimbursed the key management personnel expenses in relation to travel and subsistence and general office purchases the amount of £2,101 (2014 - £4,457). At the year end, there a balance payable in the amount of £1,701 (2014 - £171) was owing to the same key management personnel. There were no related party transactions other than these and those listed in note 11 above.

Both Sir Martin Laing and Christopher Laing are directors of Eskmuir Properties Limited. Where decisions are taken with reference to the Trust's holdings in Eskmuir Properties Ltd neither Sir Martin Laing or Christopher Laing take part in the discussion or the decision making process.

Sir Martin Laing is also on the Council of Atlantic College which is purely Advisory and plays no part in the Governance of the College.

### 17. Post Balance Sheet event

In January 2016, Christopher Waples, Lynette Krige and Daniel Partridge took an opportunity to convert the rest of investment in Eskmuir Properties Limited for units in Diversified Property Fund for Charities. Both Sir Martin Laing and Christopher Laing were excluded in this decision making process.

