
THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2016

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

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THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2016

The Trustees present their annual report together with the audited financial statements of The Mrs L D Rope Third Charitable Settlement (the charity and the group) for the ended 5 April 2016. The Trustees confirm that the Annual Report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

1. OBJECTIVES AND ACTIVITIES

1.1 Purpose of the Charity

The Mrs L D Rope Third Charitable Settlement is regulated by a Trust Deed dated 22nd October 1984 as amended by supplemental deed dated 23rd July 2004. Lucy Rope, the Founder, was driven during her time to work to help those in great need. Her enduring legacy is the formal expression of her Founder's Wishes which so clearly articulate her vision and thereby bind future generations of Trustees governing the Charity. The Charity's purpose, in accordance with the Trust Deed and having regard to the Founder's Wishes, are described below by reference to the following four heads of charitable giving.

Relief of poverty

Support for a number of causes and individuals where the Trustees have longer term knowledge and experience, particularly those both in the UK and in the Third World who are little catered for by other charities or by grants or benefits from governments or other authorities, or are in particularly deprived areas and, for overseas work, only through established links.

Advancement of Education

Support for educational projects connected with the Founder's family. Support for an airship museum; support for Catholic and other schools in the general area of Ipswich; and projects relating to the interaction of mathematics and physical science with philosophy.

Advancement of Religion

Support for the Roman Catholic religion and ecumenical work, both generally and for specific institutions connected historically with the families of William Oliver Jolly and his wife Alice and Dr Henry John Rope and their descendants.

General Charitable Purposes

Public and other charitable purposes in the general region of east Suffolk and in particular the parish of Kesgrave and the areas surrounding it, including Ipswich. Particular emphasis is placed on small grants to individuals in need in the Charity's primary area.

The governing document expresses the objectives of the Charity more broadly, the objectives of the Charity are to pay or apply funds "to such charitable purposes" as the Trustees may decide, subject to the powers reserved to the Founder to give directions or express wishes.

1.2 Founder's Wishes regarding the activities of the Charity

The Founder and her family essentially outlined the Charity's grant making in the 100 years prior to the setting up of the Charity, when they provided funds from their personal resources and often devoted themselves to charitable and religious work (11 were priests or nuns). The Charity's financial base was essentially generated by the Founder's grandfather and father, William Jolly and William Oliver Jolly.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

The Trustees come to their work with a specifically Christian bias (although with liberal leanings). Among other things this means that they would wish the work of the Charity to be carried on as anonymously as possible. Clearly the public interest does not allow this to be complete and it is accepted that the Charity must comply with contemporary standards of public disclosure.

The Founder's natural instinct was to be proactive in going about helping those in need, in particular funding should be aimed at "making a difference" whether this is providing needs as basic as food or a bed; a modest sum for clothing so that a young local person leaving care can have the right sort of clothes for job seeking or a cycle to get to work; or a charity can be encouraged to use more volunteers more effectively for its work; a small charity in a relatively deprived area can be supported and encouraged in its work. This means that the Charity has an in-built presumption against funding major national charities or other charities which clearly already have the support of "the great and the good" and are able to employ paid fundraisers, since these are much more likely to be able to raise the funds they need without our help. Funding should be timely. If an applicant is deserving and needs funds urgently, systems must be in place to allow the need to be met.

The Charity's over-arching purpose remains the relief of poverty although of course this is very often combined with the provision of education, the support of religion or general public purposes. Increasingly, the Charity has focussed on the relief of poverty in the local area of East Suffolk. However in addition, the Founder left a number of specific wishes which she wished to be carried forward and that have yet to be fulfilled, in particular projects in respect of poverty and housing, and public purposes, in Ipswich, and major projects overseas.

The Founder anticipated that by their nature the projects to fulfil her specific wishes were very long term and would need to be carried forward while awaiting an appropriate time to take the projects up. Founder's Wishes which have not yet been put into effect or committed amount to £1,551,000 with the three largest items being Overseas Projects at £500,000, Poverty and Housing in Ipswich/Kesgrave £500,000 and Public Purposes in Ipswich at £256,000. The Founder's Wishes provide the Trustees with a clear vision around which these specific projects will be progressed and until they are fulfilled, these specific wishes remain a predominant consideration with regard to planning charitable giving.

Finally, the Founder set up three other charities, each of which has different objectives and all of which have quite different policies to this Charity. The Founder wished this Charity to have regard to the needs of these other three charities. The Charity's staff working on charitable giving provide more help and assistance to the Rope Second Charity and the programmes they are running.

1.3 Charitable activities

The Trustees have over several years raised the priority for grant making for our local home area of East Suffolk, principally the county town of Ipswich, and small areas in Essex and Norfolk. It is a clear objective to focus our grant making within our local area rather than being spread thinly across a wider geographical area.

The Trustees aim to support individuals in great need firstly by working with local agencies to provide essential help directly to individuals and secondly by supporting local institutions who are themselves working to help individuals.

Our "flagship" programme for supporting individuals in East Suffolk is regarded locally as being "indispensable" and is certainly unique locally by being prepared to make modest grants to individuals in great need. The programme relies on support workers working for front line organisations identifying those with the most urgent needs and then providing whatever help is judged necessary, it can then be made quickly available to support an individual or a family in need. The Charity takes great pride in being able to respond rapidly when requests for help are urgent. A grant can be made within hours if necessary. This attempts to reflect the early Christian tradition of searching out those in need and providing help "day and night". Demand for this programme has a deep seated momentum of its own as more and more individuals and families are falling into poverty. In the first instance they turn to the State, if benefits are available, or failing that they approach the agencies with whom we work for the most basic of human needs: food, help with accommodation, essential appliances and

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

furnishings. The success of the programme has been remarkable and remains our most pressing priority.

The Trustees are also committed to supporting local charitable institutions working to help individuals. Many institutions are themselves under increasing financial pressure following the government and local authority funding cutbacks. The priority remains institutions in the Charity's local priority area which as far as institutional giving is concerned includes Yarmouth and some poor parts of the north Essex coastal area. Grants of this sort are seen as essential to ensure that services really needed by those in need – for example, provision of food and furniture and counselling for those in need or in debt – can continue to operate effectively locally. In view of the challenges facing institutions the Trustees are willing to make up some of the shortfall in state funding to these institutions.

The Third World has always been an important focus for institutional grant making. The Trustees continue strongly to believe that the Charity can do important work by funding individuals and institutions with the drive and the ideas but who lack the financial support to run projects in the Third World. The Charity has developed a number of relationships with particular overseas organisations, often either those operated by the Catholic Church or those with whom the Charity has connections through people who have been known to it for many years. For example, this year a large grant was made to IRT to support their poverty relief programme in Uganda. Additionally the Charity has been concerned with the relief of extreme need in the case of major disasters, and in recent years has chosen to channel most of this help through CAFOD and where appropriate more specialist agencies.

Finally, a specific wish of the Founder was to safeguard the future of Kesgrave Catholic Church which is held by the Charity. The Trustees have an obligation to provide the church to the RC Bishop of East Anglia for services and to maintain the fabric of the church. The Trustees have ample funds for the long term maintenance of the church and have set aside a designated fund of £125,000 towards maintenance. In addition, the Charity provides a priest with accommodation in one of its flats. The Church has a large and flourishing congregation and its future is as secure as humanly possible.

1.4 Main activities to further the Charity's purposes for public benefit

The public benefit requirement has always been enshrined in the law but Trustees are now required, through their annual report, to demonstrate that their aims are for the public benefit and to confirm that they have had due regard to the guidance on public benefit published by the Charity Commission.

The Charity has always concentrated heavily on achieving public benefit in its grant making. The Charity's overarching aim of relief of poverty addresses what is a very large class of the poor centred on a significant part of Suffolk and in the Third World. The Charity has been focusing increasingly on the relief of poverty by helping individuals directly and providing broader help within the community, by supporting institutions working with the poor or for other charitable purposes.

The Charity provides support generally to Catholic churches in East Anglia, as well as having title to and funding Kesgrave Catholic Church. This support benefits many thousands of worshippers each year. In addition, many of the grants for religious purposes benefit the poor, for example, in providing support for the Roman Catholic clergy whose incomes are extremely low.

The Trustees are committed to remaining completely abreast with regard to developments in charity law and regulations. The Trustees have complied with their duty under Clause 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

1.5 Policies for achieving objectives

The work of the Charity can, in practice, be divided between two distinctly different approaches to charitable giving. Firstly, there are the Charity-initiated projects, where the Charity initiates, supports and pursues certain specific charitable projects selected by the Founder or known to be generally in accordance with her wishes.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

Secondly, the Charity receives many "unsolicited applications" for help which it considers and makes grants where the need falls within the Charity's stated objectives. In broad terms, historically the split between granting for Charity-initiated projects and in response to unsolicited applications has been about equal.

The Charity has developed a set of policies when considering whether an "unsolicited application" complies with the Charity's stated objectives. Successful unsolicited applications to the Charity usually display a combination of the following features:-

Size

The Trustees very much prefer to encourage charities that work at "grass-roots" level within their community. Such charities are unlikely to have benefited greatly from grant funding from local, national (including funds from the National Lottery) or European authorities. They are also less likely to be as wealthy in comparison with other charities that attract popular support on a national basis. The charities assisted usually cannot afford to pay for the professional help other charities may use to raise funds.

Volunteers

The Trustees prefer applications from charities that are able to show they have a committed and proportionately large volunteer force.

Administration

The less a charity spends on paying for its own administration, particularly as far as staff salaries are concerned, the more it is likely to be considered by the Trustees.

Areas of interest

Charities with the above characteristics that work in any of the following areas:

- a) Helping people who struggle to live on very little income, including the homeless.
- b) Helping charities in our immediate local area of East Suffolk.
- c) Helping people who live in deprived inner city and rural areas of the UK, particularly young people who lack the opportunities that may be available elsewhere.
- d) Helping to support family life.
- e) Helping disabled people.
- f) Helping certain types of Roman Catholic charities and ecumenical projects.

Grants made to charities outside the primary beneficial area of East Suffolk are usually one-off and small in scale (in the range between £100-£2,000).

Individuals

Unlike many Trusts, the Charity can consider helping people on a personal basis. The Trustees give priority to people struggling to live on little income within the primary beneficial area. Grants are rarely made to individuals living outside the primary beneficial area. Of the individuals assisted, almost all are referred by field professionals such as housing or probation officers, working in the Charity's preferred geographical area on whose informed advice the Trustees can place reliance.

The following categories of unsolicited applications will not be successful:

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

Overseas Projects

Based on the Trustees' experiences so far, and the large number of requests received, the Trustees are not normally able to assist new projects or individuals working overseas. Unfortunately, this also means they cannot normally help individuals who are planning to undertake voluntary work abroad. This applies particularly to 'gap' year students. The only possible exception would be where there was a proven long-term connection to the Trust. The Trustees have had to take this decision bearing in mind the difficulties of making effective grants in this type of work, as far as supervision and monitoring are concerned. Overseas gifts are now channelled through carefully selected charities which the Charity has often supported for many years. This situation is very unlikely to change for the foreseeable future.

National Charities

Generally, the bigger a charity is, the more assets it has, the more it costs to run, the wider its geographical spread, the higher its media profile, the less likely it is that the Trustees will be able to help. They do not respond to nation-wide appeals, as they believe that the Charity's grants should really make a difference. Additionally, it is unlikely that the local operation of a national charity will appeal to the Trustees.

The Trustees cannot replace funds that may be available elsewhere from statutory sources.

Request for Core Funding

Although this is always an area that is hard to define, the Trustees are reluctant to fund overheads such as paid employment, office running costs, fundraising and other professional fees or anything which is not immediately connected with the mission of the applicant organisation. However, the severity of the government's funding cuts has led to this policy being relaxed and in exceptional cases requests for core funding will be authorised.

Buildings

It is most unusual for the Trustees to be able to make capital grants for the construction, purchase, maintenance or renovation of any kind of building in response to unsolicited applications.

Medical Research/Health Care

Outside the primary beneficial area, the Trustees will not normally consider applications from charities working in these fields.

Schools

The Charity can only help schools within the primary beneficial area and priority is for Catholic Schools. The Charity will not fund fees for private education.

Environmental Charities & Animal Welfare

Appeals from environmental & animal welfare charities do not fall within the guidelines.

The Arts

Applications related to the performing, literary or visual arts do usually not fall within the guidelines.

"Matched" Funding

The Charity will not usually offer "matched" funding for National Lottery, statutory or European funding bids. However, if on a very much smaller scale, a donation from the Charity is likely to encourage other donors to come forward then an application may be considered.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

Private Individuals

Payments are not normally made for the repayment of debt.

2. ACHIEVEMENTS AND PERFORMANCE

2.1 Review of activities

Introduction

The Accounts report grant making for the year, less the amount of these that were already committed, but plus the new commitments made in the year. On this reported basis grants for the year were £991,441 which is £273,153 lower than last year of £1,264,594. Grants actually paid in the year were £1,205,147 reflecting the fact that commitments at the year end were £213,706 lower than the bought forward commitments.

Clearly, the reported level of grant making provides only part of the context in which to review the Charity's activities over the year, which often involves very substantial work well before or well after a grant is committed or paid. The reasons why the Charity's work on projects may "lead" or "lag" the recognition of the grant in the Accounts are:-

- The Charity is actively progressing a number of projects at any time which are necessarily of quite long duration. It has been progressing important areas of work although little or no grant has been made during the year and even where the total amount of a grant for a project may not be large, nevertheless the planning work on such projects can be significant in terms of staff commitment. Several years can elapse between the initial work on a charitable project and the commitment to implement.
- The Charity is willing to make forward commitments when these are seen as necessary for the health of the project concerned. The Trustees do not believe in using "weasel words" to give a donee the impression that funds are very likely to be forthcoming but leaving a "way out" to cater for the most unlikely of circumstances. Rather they believe that where a project requires continuity of commitment in order to be successful then that commitment should be forthcoming although no expenditure may be made for some time.

Government policy from year to year can also significantly impact the quantum of grant making in any year. The Trustees regard the programme to support individuals in the Charity's home area of East Suffolk as being our "priority". Demand for the programme has a deep seated momentum of its own as more and more individuals and families are falling into poverty. However, the government's abolition of Community Care Grants in March 2013 when they provided local authorities with funding for Local Welfare Assistance (LWA) led to a marked fall in demand for our help, particularly in the provision of help to buy furnishings, for example, beds and essential appliances, which can be provided by LWA funding. The Trustees have always applied the principle that help should not be provided when funding will be provided by the State. In these circumstances, although the pressure on those in poverty was unabated, there was a fall in demand for our help, but looking ahead now, the recent decision of Suffolk County Council to move the focus of LWA funding away from Ipswich towards Suffolk as a whole and to introduce more stringent criteria, no longer funding any help with essential furniture, will again change the local dynamics. The Trustees are therefore anticipating a resumption in demand for our programme, especially as the LWA funding available for the town of Ipswich is being cut severely. To place this programme in context, there were 1,670 grants for individuals in need in our home area of East Suffolk amounting to £311,329 in the year (2015: £288,719).

The grant making programme for local institutions who are themselves helping the poor remains a major initiative but again government policy informs our approach from year to year. The challenge is to remain in close contact with the agencies we support, particularly when they face funding reviews. Many local agencies working to help the poor face the prospect of financial difficulty following endless cutbacks in funding by local authorities and government. The problem with State funding is that too often funding levels are reviewed annually, cutbacks can be made at very short notice and at best funding commitments are typically for only the current financial year. Moreover, the government's plans to cutback funding are playing out over several years.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

The Trustees have no choice but to watch and wait before judging which of many worthwhile local agencies will be most in need of our financial support. The intention is to commit significant funds to this major initiative as the full extent of problems and opportunities become clear. The Trustees will continue to work with local institutions to understand the impact of government policy to enable the Charity to respond appropriately to the challenge of poverty.

The Charity's skill in keeping in touch with the many charitable institutions with which we have worked and our willingness to respond rapidly when we become aware of a pressing need is well illustrated by our support for St Pancras Roman Catholic Primary School. After becoming aware of the school's urgent need to find funding for refurbishments, including new classrooms, we were able to respond rapidly and last year we committed funding of £130,000. During the year staff have been working with the school as the project progressed and the funds were released against the commitment.

The Third World will remain an important focus for grant making but for the moment the priority for international grant making has been to maintain funding for overseas institutions with which the Charity has a relationship and which need continuing help. The large grant made to IRT to support its programme in Uganda has already been mentioned. After working with IRT for several years and building up our confidence in the effectiveness of their organisation, it is with regret that we have learned from IRT that a serious fraud has been unearthed at the Paruda project they have been supporting in Uganda. The Paruda project is highly regarded for their work supporting development, for example, farm, livestock, plant and education improvement programmes. Unfortunately funds received by Paruda were fraudulently diverted and although the problem was promptly unearthed and dealt with by IRT, it brings home the difficulty of being certain that the Charity is supporting overseas projects that are fully effective, however much the Trustees seek to put in place disciplines to review and monitor the institutions with which we work. Fortunately, problems such as this are mercifully rare, organisations are typically committed to work to the highest standards and this incident must not detract from the excellent work done by institutions working in the Third World.

2.3 Grant making

The Charity received more than 2,000 applications during the year for grants of varying sizes. Every application is recorded, considered and matched against the Charity's policies for giving. All applicants are considered in the first instance by the grant administrators. Those that prima facie fall within the policies are investigated, initially with telephone or written enquiries and, when appropriate, visits and other investigations. Those that fulfil the criteria can typically be authorised by the staff, subject to the size of the grant. Staff authorise smaller grants which are being processed in ever larger numbers, and which need to be dealt with promptly while the relatively fewer in number larger grants are authorised by Trustees, or indeed the Trustee Board. All grants over £10,000 are approved by the Trustee Board.

Grants to individuals

Grants to individuals in South East Suffolk are organised through a number of agencies with whom we work. The great majority of grants are individually agreed by the Charity. Unsolicited requests are received and all are carefully reviewed. Grants that can be made in response can only occasionally exceed £2,000. These continue to be considered carefully and we are happy to give assistance to the number our limited resources can accommodate and provided that they fulfil our criteria.

The Trustees are committed to disbursing grants cost efficiently. However, there is a cost penalty in making a relatively large number of small grants to individuals. These small grants can make a considerable difference to the individual in need but relatively they are time consuming to administer. The requests for help forwarded by the social and support workers can be enormously varied and it takes time to collate the information we need to understand the application and consider its merits. For example, we need to weigh up helping someone with a bankruptcy application or applying for a passport needed for identification purposes for a job. For each application it takes time to make sure we understand the real need, consider how far we can help and then record and facilitate the grant. Faced with this administration, the Trustees have two staff members working almost entirely on grants to individuals. The Trustees are satisfied that there is a proper balance between

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

keeping overhead management expenses to a minimum, and ensuring that any funds given have the maximum beneficial effect.

Satisfying themselves that grant making is effective is an important objective for the Trustees. The programme to support individuals in East Suffolk is characterised by committing substantial funds by way of many small grants to a large number of individuals. The grant requests are raised by support workers who work for the extensive network of care agencies with which the Charity now works locally. The application is reviewed by our staff and matched against our policies. Effectiveness is largely self-determining, every grant funds an essential that an individuals needs, ranging from food, clothing, household appliances or carpet, to fees for essential applications, possibly visa compliance or bankruptcy protection. Our staff have regular contact with the support workers, many visit our office to collect grants and there is also a programme of more formal, structured visits to key agencies. Our staff are continually seeking to understand from the support workers what is happening at the "sharp end" in order to assess where our help is most needed and to set priorities. Our help to individuals is widely spread, the average size of the 1,968 grants to individuals was £192. Only in exceptional cases would more than one grant be made to the same individual or family in any one year.

Grants to institutions

For institutional giving, the size of grants and the nature of the relationship is different, in that grants are typically much larger and there is always a relationship with the institution who we will often know well. Our staff make regular visits to institutions we support to review our programmes and monitor their delivery against our expectations. The Charity aims to direct our grant making capacity towards the institutions who provide essential services to individuals locally and who have the greatest need of our help. Overseas grants are also subject to the same disciplines, structured feedback is required and for larger grants the Trustees organise visits to monitor the programmes. For example, review visits are regularly organised for St Stephen's Hospital in Uganda and the Norfolk Venda projects in the Venda, South Africa. Sadly, as already mentioned, no processes can be fool-proof. As the experience which IRT has had with the project they funded in Paruda, care must be taken to provide effective oversight, controls within local community organisations being supported must be strong enough to safeguard funds and ensure payments can be traced to the authorised end users.

Major institutional grants in the year are referred to below:-

		Total Amount
International Refugee Trust	Grant towards IRT's "Step Up Programme" which helps rural communities in North West Uganda to investigate and address the issues keeping them in poverty.	£50,000
Ipswich Furniture Project	Grants to help with the cost of rent and cash flow due to delays in payment of invoices and flood in shop.	£33,000
Felixstowe & District Citizens Advice	Two year commitment of £16,000 a year to help fund the salary of a second Money Adviser.	£32,000
Leiston, Saxmundham & District Citizens Advice	Two year commitment of £14,000 a year to help fund the salaries of the two Deputy Managers.	£28,000
Anglia Care Trust	Three year commitment of £8,000 a year to fund Volunteer Development Project.	£24,000
Society of St. Vincent de Paul	Further commitment to the Great Yarmouth and Clacton SVP Conferences for their work to relieve poverty in their local areas.	£20,000
Ipswich Citizens Advice	Grant to employ an additional Debt Relief Order Intermediary for six months.	£15,000

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

		Total Amount
Disabled Advice Service	Organisation supporting disabled people in the Suffolk Coastal area.	£15,000
FIND	Two grants to help fund the purchase of stock for the Foodbank and also, Christmas Hampers.	£12,500
St. Vincent's Family Project	Grant towards a third of the non-salary costs for Daughters of Charity founded project which supports deprived families the Westminster area of London.	£12,000
Level Two	Grant towards the salary costs of the Manager of youth project in Felixstowe.	£12,000
Moldova Not Forgotten	Grant to help relieve the extreme poverty in Moldova.	£10,000
St. Mary's R C Church, Thetford	Grant towards the cost of refurbishment work in the Church.	£10,000
St. Stephen's Hospital	Commitment towards the cost of two half yearly grants to support the work of Church of Uganda hospital situated just outside Kampala.	£10,000
Suffolk Refugee Support (SRS)	One grant and one commitment of £5,000 each to help fund SRS work with Refugees and migrant works in poverty in the area.	£10,000
Traidcraft	Two year commitment of £5,000 a year towards Traidcraft's FIVE Project in Kenya.	£10,000
Cafod	Grant to cover transport costs for stationery supplies donated (by others) to improve the education of Sudanese students.	£8,500
D.I.A.L (Disability Information & Advice Lowestoft)	Grant to support work of Outreach Worker providing advice and support in the market towns and villages in the rural areas of Waveney and Lowestoft.	£8,000
Home –Start East Suffolk & Ipswich	Grant to help run pilot scheme in the Lowestoft area where there is very little provision of family support.	£8,000
Ipswich Academy	Grant towards project which Ipswich Academy is leading to raise literacy levels, from pre-natal upwards, in South East Ipswich.	£8,000
SPRED	Grant to Daughters of Charity project which works to integrate people with learning disabilities into their local parish communities.	£8,000
Cavendish Lodge	Grant towards cost of converting lounge area into two support rooms and one multi-agency meeting room in Ipswich hostel for twenty residents with complex issues.	£7,000
CISN HARDSHIP FUND	Grant for Fund which supports full-time international students already studying in the UK but facing unexpected financial problems during the final stages of their courses	£7,000
ILHP (Ipswich Locality Homelessness Partnership)	Grant to support the work of the Partnership's and Street Outreach Worker to support homeless individuals and rough sleepers in Ipswich.	£7,000

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

		Total Amount
St. Elizabeth Hospice	Funding to purchase single use hoists above two In-patient beds at local Hospice.	£7,000
The Recovery Hub, Ipswich	Grant to furnish six residential rooms within project providing essential elements to aid recovery from addiction.	£7,000
Apostleship of the Sea	Grant towards the work of local Chaplain's work in the Haven Ports.	£6,000

Grant making analysis

The tables below show an analysis of giving falling within this year's Accounts analysed by type of need, by location, and by method of initiation separately for giving to individuals and giving to institutions.

Analysis by type of need

	Giving to Individuals	Giving to Institutions
	£	£
Relief of poverty	378,401	169,585
Advancement of education	-	37,046
Advancement of religion	-	43,450
Other charitable	-	362,959
	378,401	613,040

Analysis by location

	Giving to Individuals	Giving to Institutions
	£	£
Kesgrave	5,501	3,550
Ipswich/South-East Suffolk	305,828	261,356
Other East Anglia	67,072	133,898
Other UK	-	83,944
Overseas	-	130,292
	378,401	613,040

Analysis by method of initiation

	Giving to Individuals	Giving to Institutions
	£	£
Self-initiated	378,401	185,227
Unsolicited	-	427,813
	378,401	613,040

The pattern of grant making over the year reflects the Founder's continuing strong influence with a significant proportion of grants in the year being applied to causes favoured by the Founder, in addition, of course to fulfilling specific Founder's wishes.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

3. FINANCIAL REVIEW

3.1 Reserves policy

Background to income generation

The Charity's income from investments was £1,343,555 for the year. Dividend income growth is now slowing and interest income continues to be held back by low interest rates on cash deposits. Any increase in interest rates back towards more normal levels will increase interest income, potentially significantly. Combined with continuing growth of dividend income, there is now the prospect that recurring investment income will increase to the £1,500,000 level within three years.

Kesgrave Covenant Ltd (KCL), the subsidiary trading company, has not been in a position to make any Gift Aid payment for the year and although there is no prospect of any gift aid in the immediate future, there is a fair chance that the company will be in a position to make a significant gift aid payment within three years.

Background to grant making

The Charity has a number of long term projects, some of which may take as long as 10 years to come to fruition, with very considerable uncertainty as to what the outcome will be and what size of total grant may be appropriate.

Additionally, the Charity supports a number of projects both in the UK and overseas, where the nature of the project requires a relatively long term commitment to be made. Since grants are recognised for accounting purposes when the firm commitment is made, this also means that grant making becomes more "lumpy".

Reserves policy as regards normal income

The reserves position was reviewed by the Trustees during June 2016. The reserves policy seeks to maintain distributable reserves between a "minimum" level below which free reserves must not fall and a "maximum" up to which reserves may be held. The basic policy is based on no gift aid payments being received from KCL. In this case, the minimum figure for Reserves has been agreed by the Trustees at 6 months' income averaged over a three year period. This ensures that the Charity will, in all normal circumstances, have a reserve sufficient to allow grants in a particular year to rise to 150% of the normal amount.

The Charity intends to continue to progress several potentially significant projects and with this in mind must maintain sufficient reserves to fund significant commitments. The maximum reserves that may be held have been increased to 24 months' income averaged over the three years. This means that the Charity could have the capacity to fund grants in a particular year to rise to 300% of the normal amount.

Reserves policy – Gift Aid receipts

Gift aid receipts can be quite large but will only occur at intervals. The policy is to treat gift aid receipts for Reserve purposes as accruing evenly over the 6 years following the year in which they are received. This policy ensures that a sudden large gift aid receipt can be spent wisely in accordance with the Charity's policies and not have to be paid out at short notice for purposes which are not part of the Trustees' policies for priority.

Charity's Funds

The Charity's Unrestricted General Fund now stands at £1,881,662. The minimum Reserves figure set by policy is £685,000 and the maximum is £2,735,000.

The Charity's Unrestricted Designated Fund set aside by the Trustees to fund property held for charitable use stands at £3,268,833. The properties held for charitable use comprise Kesgrave Catholic Church, flats available for charitable use, a building in Foundation Street, Ipswich, let to a local charity, and the Charity's

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

offices at St William Court, Kesgrave. The Church Maintenance Fund of £125,000 is also held as an Unrestricted Designated Fund.

3.2 Charity performance for the year

The Charity's financial statements before consolidation show that spending on charitable activities fell back to a level more consistent with the income level currently being received. Charitable expenditure fell back to £1,257,365 in comparison to £1,526,330 for the previous year. The Trustees are committed to increasing grant making back to the more typical level reported last year but they remain mindful that they need the support of further income growth.

Incoming income fell back to £1,393,900 from £1,455,396 last year. The fall was caused by lower income from investments which is by far the largest constituent of incoming income. In the past, an important contribution to incoming income has been gift aid received from the trading subsidiary. However, there have been no such gift aid payments for several years.

Investment income for the year fell to £1,343,555 in comparison to £1,404,291 for the previous year. The falls reflects a fall in dividend income from the share portfolio and a further reduction in interest income.

Dividend income fell to £1,079,103 from £1,126,847. The fall in UK dividends reflected fewer special dividends in the year, several were very significant last year, and a trend towards reigning back dividends. Overseas dividends were knocked back by the strength of sterling which resulted in lower reported income in sterling terms. The corporate sector is finding profit growth harder to come by which will hold back increases in dividend income but against that the recent weakness in sterling in the run up to the Referendum will help the sterling value of overseas dividends received.

Property income has again been robust increasing to £187,562 (2015: £183,408).

Interest income fell to £76,890 from £94,036 last year. Bank and building society rates continued to fall to record lows, particularly for cash held on demand. The average interest rate achieved over the year fell by twelve basis points to an average rate of 0.59% for the year (2015: 0.71%). Cash balances fell by £97,480 to finish the year at £11,620,244.

The Cost of Investment Management fell to £152,319 from £162,709. This year costs have run at more typical levels. There were no exceptional property outlays while stockbroking fees fell against a background of the lower valuations recorded for the equity portfolio. The share of support costs charged to investment management increased to £32,254 from £28,543 last year.

Charitable Expenditure fell back to £1,257,365 from £1,526,330. Grants comprise by far the largest proportion of this outlay and this year exceptionally they fell to £991,441 in comparison to £1,264,594 for the previous year. A further £24,094 was paid for charitable accommodation and the running costs of the church as against £23,648 last year. Finally, support costs amounted to £241,830 as against £238,086 for the previous year.

The Charity's Support Costs charged to Investment Management and Charitable Activities amount in total to £274,084 as against £273,898 last year. The support costs include staff and office costs and fees paid to advisors, mainly accountancy and legal fees. Key to the stable level of support costs reported for the year is employment costs which against a background of a small reduction in staffing levels fell by £6,954 to a total for the year of £219,806. The Charity remains committed to controlling support costs within the context of clear spending priorities.

The Charity reported a net deficit for the year of £15,784 before recognising losses on the revaluation of investment assets of £1,988,473. The loss on investment assets comprises realised gains on the grant of a lease of £31,133, unrealised profits on property fund revaluations of £47,275 and realised and unrealised losses on the share portfolio of £2,066,881.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

3.3 Subsidiary trading company

The consolidated financial statements consolidate the Charity and its subsidiary company, The Kesgrave Covenant Ltd (KCL). KCL is engaged in managing and developing land and buildings – a commercial activity not generally directly related to the activities of the Charity, albeit a part of the profit derives from work done for the Charity in relation to its own investment properties and interests in land.

It may be useful to reiterate that the Charity was given the shares in its trading subsidiary and has not had to contribute any funds to that company. The contribution of the trading subsidiary to the income of the Charity has been substantial in the past and although no gift aid payment has been made since 2008 it is expected that KCL should in future be well placed to provide a useful albeit intermittent contribution to the Charity's income. One further critical point that must be emphasised is that the Charity and KCL operate completely independently of each other and that the Charity in no way underwrites the obligations of its subsidiary.

KCL remains well placed financially. The company progresses opportunities for the long term development of land and buildings. Although there have been no new opportunities to pursue, it is still anticipated that planning permission for the North Ipswich housing development in which KCL already has an interest may be granted within two years. The combination of no new trading projects and reduced interest income on the bank balances has held back the profit before tax reported by KCL to £14,844 for the year. KCL nonetheless remains financially strong having followed a stated policy, supported by the Trustees, of retaining sufficient profit in the business to maintain equity capital at around the current level of £1,149,377 at the year end.

Though the company is now well placed to take advantage of potential new projects, at this stage it would be premature to anticipate whether new projects will emerge and, if so, when.

3.4 Plans for the future

The future will no doubt bring considerable challenges for the Charity. The Charity is blessed with being in a strong financial position but even so care will be needed to be sure that grant making remains consistent with the need to maintain the strength of the endowment. In a world where there are ever increasing demands for help from the poor, it will inevitably be necessary to focus what resources we have towards those in most need and where we can make the greatest difference.

The programme to help the poor in the Charity's own local area of East Suffolk is already our single largest programme, and is expected to expand over the next two years. Charitable institutions working in our local area with whom we often have a long standing relationship will also be looking towards our continued support as many are facing increased financial pressures.

The current position with grant making to the Third World is that for some time we have not been seeking new opportunities, but work can now be progressed, to plan and prioritise the help we give to institutions in the Third World. The Trustees will also be reviewing the timing of the specific projects identified by Founder's Wishes.

4. INVESTMENT POLICY AND OBJECTIVES

4.1 Investment objectives

Though not herself greatly concerned with investment policy, the Founder believed that this was something with which the Trustee body personally should be involved and not something to be "left to the experts". Having lived through the slump of the 1930's, she also thought that investment policy should bear in mind the possibility of "disaster" risks but still take very much into account the advantages of a very long term investment horizon. In addition, the Founder felt strongly that the Charity should not use leverage of any type, including both straight borrowing (which includes short selling) and borrowing by implication (which includes all types of derivatives). Investments are held in accordance with the powers available to the Trustees, who have very wide investment powers, contained in the governing document.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

The Trustees' approach to developing an investment strategy has been to deploy the wide powers of investment under the Trust Deed to develop an investment strategy that is "balanced" between asset classes but with a bias toward investing in real assets over the long term in order to deliver a strong return on the endowment. Over the last thirty years, the objective of a strong return from "balanced investment" has been achieved.

4.2 Investment policy

The main principles of the current policy, reviewed by the Trustees in April 2016, are:-

It is the responsibility of the Trustees to make the major decisions on investment policy. They cannot expect to rely on professional advisors in a number of their most important decisions.

The emphasis of investment over the long term should be on real assets. However significant holdings of cash are prudent to protect the fund from times of major market setbacks. A minimum of 15% of the fund must be held in cash.

The Charity should maintain a significant investment in land and residential buildings and aim to have no less than 15% of its assets in this category.

Unless a clear case can be made that any actively managed equity funds outperform index funds after costs, the long term aim is to have at least 30% of the Charity's equity assets in investment trusts or index linked funds.

Overall ranges for the various asset classes are set as:-

	%
Cash/short term gilts	15-35
Property (of all types)	15-25
Total equities	45-65

Within total equities the overall ranges for various sub asset classes are set as:-

	%
Overseas equities	50-80
Developing markets and Canada	25-70
Natural resources	15-35

No business should be contracted in derivatives.

The fall in interest rates has forced the Trustees to accept a total lower income target from the investment portfolio of not less than a 2.5% yield, and to plan accordingly. The practice of looking at total returns and allocating a proportion of investment gains to supplement income may be fashionable at the moment but the approach cuts completely across the Trustees' over-arching priority of at least maintaining the real value of investment assets.

As regards ethical considerations, direct investment is not permitted in companies engaged principally in gambling, the manufacture and/or sale of tobacco products or armaments. The Charity additionally monitors investee companies, as far as practicable, in view of the wide spread of the portfolio, to ensure that they meet best practice in relation to their key stakeholders.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

4.3 Investment performance

The net assets of the Charity at the year end of £56.8m were invested as follows:-

	2016		2015	
	£m	%	£m	%
Listed investments	35.4	62	37.6	64
Property	9.0	16	9.0	15
Cash on deposit plus net current assets (inc. long term liabilities)	12.4	22	12.2	21
Total net assets	56.8	100	58.8	100

The listed investments comprise the equity portfolio which amounted to £35.4m at the year end (62% of net assets). The portfolio has been managed by Mr Crispin Rope, the Managing Trustee, assisted by Cavendish Asset Research, an FCA registered investment consultancy. Stock picking for the portfolio aims to identify companies well placed to grow over a ten to twenty year period. Once picked, the intention is to hold stocks for the long term. In particular companies that have stable, often family ownership, show operational success over a sustained period and finance growth without recourse to high borrowing have been favoured. A strong competitive position and evidence of being managed with an eye to the long term are also key drivers. In recent years many companies with global reach have positioned themselves to tap into emerging patterns of world growth, building strong businesses in emerging markets. The stocks held in the portfolio have been drawn from around the world, with significant representation from emerging markets, although a bias towards developed Western stock markets remains. In addition the Trustees feel there is a place in the portfolio for indexed funds, indeed the single largest holding is a UK indexed tracker.

The portfolio's focus is well illustrated by the following table of the 20 largest equity investments as at the year end:-

Company	Activity	Value £000
L&G UK Index Trust	Index tracker	3,510
Jardine Matheson Holdings	Investment holding company	1,016
Acadian Timber Corporation	Forestry	1,001
Fisher (James) & Sons plc	Marine engineering	917
Jardine Strategic Holdings	Investment holding company	853
Law Debenture Corporation plc	Investment trust	849
Aberdeen UK Tracker Trust plc	Investment trust	780
Scottish Oriental Smaller Company Trust plc	Investment trust	715
Thorpe (FW) plc	Electrical manufacturing	712
P Z Cussons plc	Toiletries	708
Gooch & Housego plc	Optical technology	694
M P Evans Group plc	Food producer	688
Investor AB	Industrial holding company	659
Bayer AG	Health and agriculture products	644
Victoria plc	Carpet manufacturing	599
Canadian General Investments	Investment trust	598
Goodwin plc	Mechanical engineering	563
Weyerhaeuser Co	Forestry	547
Syngenta	Agricultural company	517
J P Morgan American Investment Trust	Investment trust	515
		17,085

These twenty holdings represent 48.2% (2015: 47.7%) of the listed investments.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

Global stock markets have fallen somewhat over the course of the year, in particular emerging markets have suffered very badly in the face of evidence that the key Chinese economy was slowing down and global trade generally faltering, although there has been some growth in the West, particularly in the USA and the UK, where monetary policy appears to have secured a modest recovery. Falling stock markets across the world left our equity portfolio significantly down on the year. The equity portfolio fell by 6% over the year which was better than the 9% fall recorded by the FTSE All Share index benchmark for the same period. Performance was impacted by the relatively high weighting invested in emerging markets and natural resources which have continued to perform poorly in contrast to stock markets in the West that have fallen, but not by so much, during the year. However, stepping back, returns over the long term remain impressive. Over the last ten years the equity portfolio has generated a positive capital return of 37% as compared to an increase in the FTSE All Share benchmark of 8%. While this demonstrates the success with which the capital invested has grown, allowance must be made for inflation. Over the last ten years retail inflation has been relatively subdued but it has none the less increased cumulatively by 34%.

The commitment to holding the equity portfolio through periods of market uncertainty has been borne out by the returns delivered over the longer term. Equity markets are likely to remain volatile. The economic recovery in much of the West, in particular the USA and UK, has been fed by central banks holding interest rates at record lows and the impact of quantitative easing. Growth in the context of the stimulus brought to bear has been poor in terms of previous recoveries. There is a concern that monetary policy alone will be unable to drive the recovery, which may falter as structural problems, in particular poor productivity, the tendency for consumption to be driven by too much personal debt and the pressure of financing public sector state debt, look deep seated and intractable in many Western economies. Moreover, monetary policy has driven up the value of assets across the board, asset classes as diverse as bonds, equities and residential property have been driven to valuations well beyond their traditional fundamentals. Clearly, there are grounds to be cautious although nothing has yet happened to shake our view that, in time, more balanced global growth can resume, driving stock markets forward in both the developing as well as the developed world.

Concern that the stock market may be volatile in the short term reinforces the importance of holding a significant cash buffer to guard against any market setbacks. The cash balances continue to be managed with great care as the banking system remains a concern. In Europe, banks have yet to come fully to terms with losses standing on their loan books and further capital raising will be required to safeguard capital adequacy. Against this background the importance of considering credit risk and having a policy of spreading deposits between several highly regarded banks and building societies remains critical. In addition, the policy is to hold cash balances on short maturities to safeguard our liquidity position. Cash held on deposit plus net current assets amounted to £12.4m at the end of the year (22% of the Net Assets).

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

5.1 Constitution

The name of the Charity is the Mrs L D Rope Third Charitable Settlement, regulated by Trust Deed dated the 22nd October 1984, as amended by supplemental deed dated 23rd July 2004. The Trustees were incorporated under the name of "The Trustees of the Mrs L D Rope Third Charitable Settlement" by order of the Charity Commissioners on the 10th February 1994.

The Trust is a general charitable trust, but having regard to directions given or wishes expressed by the Founder, Mrs L D Rope. The expressed detailed Founder's wishes were written, most formally on 15th June 1993, 27th February 1995, 22nd May 1997 and 24th June 1999.

Capital is only to be distributed in the most exceptional of circumstances. Income is distributed at the Trustees' discretion subject to the Founder's Wishes.

The Trustees have wide powers of investment under the terms of the Trust Deed.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

5.2 Appointment of Trustees

The policy for the selection of Trustees is based on the need to have individuals who have the ability as well as the inclination to lead and direct the Charity and build on the fine record of innovative grant making. The appointment of Trustees is currently made by C M Rope who holds the power to appoint. All Trustees other than Mr Rope are currently appointed for fixed terms. Attention is also given to Founder's Wishes in relation to having family members as Trustees where individuals with appropriate skills are available.

5.3 Policies adopted for the induction and training of trustees

On appointment new Trustees are given copies of all the Charity's fundamental documentation, copies of recent annual reports and the minutes of meetings of the Trustees, and some background information on Charity Law.

Training includes structured trustee training and seeing some of the Charity's property interests, participating in ongoing sessions on investment policy, and working with the Charity's staff in visits, etc., in connection with specific aspects of grant making.

5.4 Organisational structure and decision making

The key management personnel of the two legal entities comprising the group are the Trustees of the Charity and the Directors of The Kesgrave Covenant Ltd.

The Charity has for several years had a settled team of five Trustees who bring a depth of skill and experience to bear on the Charity's work and they are well placed to drive the Charity forward. Mrs Ellen Jolly has been elected to act as Chair of the Trustees during Mr Crispin Rope's absence due to ill health. Ellen Jolly has taken on Crispin Rope's lead role in managing the Charity, since the inception of the Charity, he has been the Managing Trustee.

The Charity needs to employ sufficient staff to administer a broadly based programme of charitable giving while at the same time a breadth of skills are needed, including accounting and administration to support our charitable activities. The Charity's staff needs are unusual in the sense that it makes a significant number of individual grants that are often needed urgently and where it is necessary for the grants to be made at an hour or two's notice. This work requires an adequate number of staff members to provide cover throughout all working hours.

The Trustees have always sought to employ high calibre people to work for the Charity, to provide training to develop staff skills and to retain staff. The Charity's staff have been working together as a team for many years and in practice it is increasingly the staff working to the objectives and procedures prescribed by the Trustees who are executing the charitable work being done by the Charity on a day to day basis with such effect. Mrs Annie Ruffell remains Secretary to the Trustees and, in her capacity as Personal Assistant to Mr Crispin Rope, is responsible for running the charity office generally. Mrs Elizabeth Combes, Charity Administrator, works exclusively on grant making to institutions. Mrs Gaye Wightman, who is also the Charity's bookkeeper, works with Dr Anne Folan and Miss Angela Tuck, on the Charity's programme of grant making for individuals. Mrs Sheila Oswald works part time providing secretarial and general support.

Staff salaries are reviewed annually in the context of the level of inflation and comparable salaries paid elsewhere.

The Trustees recognise the contribution being made by the staff to the success of the Charity. The Trustees would once again like to express their thanks to all members of the staff who are currently working through a "transition" as Crispin Rope is now standing back from the "day to day" running of the Charity.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

5.5 Risk management

The Trustees have assessed the major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees actively participate in the assessment of risk which is considered, in terms of identifying any significant changes in risk, at all Trustee Boards. The risk management process addresses risk at three levels:-

- the process aims to identify and classify all sources and types of risk;
- triggering the necessary action to manage the risks, focusing on "major" risks;
- confirming that the remaining risk is consistent with the trustees' view of acceptable risk.

The Trustees document the risk assessment and action taken to mitigate risk in the Risk Register which provides a comprehensive risk profile of all the identified risks. Major risks that have been identified by the review process are as follows:

- Crispin Rope, who has been the Managing Trustee since the inception of the Charity is now standing back due to ill health. The Trustee Board is managing the consequent transition, by providing clear direction and clarity of objectives for the staff who have responsibility for continuing to run the Charity effectively on a day to day basis. The Trustees are confident that the transitional is being managed without any risk of disruption.
- The investment strategy is strictly monitored to control asset allocation between property, equity, bond and cash asset classes, but although diversification can diversify risk and provide a buffer for some risks, the Charity's investments are nonetheless inevitably exposed to the vagaries of world financial markets.
- The Charity takes great care in investing cash deposits, spreading deposits between banks and building societies and limiting investment to those with strong credit ratings, but nonetheless banking instability causing a bank with whom we have deposits to fail could leave the Charity exposed if government fails to stand behind a failed bank and make good the loss.
- Planning for the retirement of key staff members to ensure that retirements do not impact operational capability is particularly important as several key members of staff are approaching retirement and, in the past, staff continuity has provided stability and underwritten our standards.
- The Charity's risk programme has resulted in a comprehensive insurance programme being put in place to cover public, employee and officer's liability and material damage risks but there is nonetheless a remote possibility that a claim, particularly where public liability is concerned, may not be fully insured, but it would be an "exceptional" claim.
- The Charity's grant making activities in some way become controversial, leading to adverse publicity and damage to our reputation, thereby jeopardising our charitable operations. In particular, there is a danger that changing attitudes over time can lead to controversy, as we have seen with "child protection" and the Roman Catholic Church.
- Failure to follow the Health and Safety policies at work with the consequence that an accident leaves the Charity or Trustees liable.

The Trustees have satisfied themselves that any actions necessary to manage the risks that have been identified have been taken and that any residual risk is acceptable. The Charity's risk profile is consistent with the level of risk that the Trustees are willing to accept.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2016

5.6 Funds held as custodian

No assets are held by the Charity for another charity. The shares in The Kesgrave Covenant Limited are held by Mr Crispin Rope and Mr Jeremy Heal in their capacity as Trustees on behalf of the Charity and the certificates are held by the Charity's solicitors for safe custody.

5.7 Equal opportunities policy

This policy covers all aspects of equal opportunities for employment and recruitment.

This report was approved by the Trustees on 3 August 2016 and signed on their behalf by:



Mrs Ellen Mary Jolly
Trustee



Jeremy Philip Winteringham Heal
Trustee

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2016

Trustees

Crispin Michael Rope
Jeremy Philip Winteringham Heal
Mrs Ellen Mary Jolly
Paul Andrew Jolly
Mrs Catherine Susanne Judith Scott

Charity registered number

290533

Principal office

Lucy House, St. William Court, Kesgrave, Ipswich, Suffolk, IP5 2QP

Other operating office

Crag Farm, Boyton, Woodbridge, Suffolk, IP12 3LH

Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

Bankers

Barclays Bank plc, 1 Princes Street, Ipswich, IP1 1PB

Solicitors

Howes Percival LLP, Flint Buildings, 1 Bedding Lane, Norwich, NR3 1RG

Stockbrokers

HSBC Private Bank (UK) Ltd, 78 St James' Street, London, SW1A 1HL

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

We have audited the financial statements of The Mrs L D Rope Third Charitable Settlement for the year ended 5 April 2016 set out on pages 23 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared 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 (FRS102) 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 5 April 2016 and of the group's 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and in other respects 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' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records; or
- the parent charity 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.

Peters Elworthy & Moore

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
4 August 2016

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2016**

	Note	Unrestricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:					
Donations	2	-	-	-	2,100
Income generated by subsidiary	14	-	59,329	59,329	49,329
Investments	3	1,343,555	17,895	1,361,450	1,426,261
Charitable activities	4	50,345	-	50,345	49,005
TOTAL INCOME AND ENDOWMENTS		1,393,900	77,224	1,471,124	1,526,695
EXPENDITURE ON:					
Raising funds:					
Subsidiary trading costs	14	-	65,559	65,559	53,124
Investment management	5	78,523	73,796	152,319	162,709
Charitable activities	6	1,257,365	-	1,257,365	1,526,330
TOTAL EXPENDITURE		1,335,888	139,355	1,475,243	1,742,163
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		58,012	(62,131)	(4,119)	(215,468)
Net (losses)/gains on investments	14	-	(1,988,473)	(1,988,473)	1,213,136
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		58,012	(2,050,604)	(1,992,592)	997,668
Gains on revaluations of fixed assets	12	-	-	-	75,875
NET MOVEMENT IN FUNDS		58,012	(2,050,604)	(1,992,592)	1,073,543
RECONCILIATION OF FUNDS:					
Total funds at 6 April 2015		5,217,483	52,873,748	58,091,231	57,017,688
TOTAL FUNDS AT 5 APRIL 2016		5,275,495	50,823,144	56,098,639	58,091,231

All activities relate to continuing operations.

The notes on pages 28 to 45 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2016**

	Note	Unrestricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:					
Donations	2	-	-	-	2,100
Investments	3	1,343,555	-	1,343,555	1,404,291
Charitable activities	4	50,345	-	50,345	49,005
TOTAL INCOME AND ENDOWMENTS		1,393,900	-	1,393,900	1,455,396
EXPENDITURE ON:					
Raising funds:					
Investment management	5	78,523	73,796	152,319	162,709
Charitable activities	6	1,257,365	-	1,257,365	1,562,330
TOTAL EXPENDITURE		1,335,888	73,796	1,409,684	1,689,039
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		58,012	(73,796)	(15,784)	(233,643)
Net (losses)/gains on investments	14	-	(1,988,473)	(1,988,473)	1,213,136
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		58,012	(2,062,269)	(2,004,257)	979,493
Gains on revaluations of fixed assets	12	-	-	-	75,875
NET MOVEMENT IN FUNDS		58,012	(2,062,269)	(2,004,257)	1,055,368
RECONCILIATION OF FUNDS:					
Total funds at 6 April 2015		<u>5,217,483</u>	<u>53,571,136</u>	<u>58,788,619</u>	<u>57,733,251</u>
TOTAL FUNDS AT 5 APRIL 2016		<u>5,275,495</u>	<u>51,508,867</u>	<u>56,784,362</u>	<u>58,788,619</u>

All activities relate to continuing operations.

The notes on pages 28 to 45 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CONSOLIDATED BALANCE SHEET
AS AT 5 APRIL 2016**

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	12		3,298,959	3,305,857
Investments	14	50,293,670	52,764,126	
Programme related investments	13	100,000	120,000	
Total investments			50,393,670	52,884,126
			53,692,629	56,189,983
CURRENT ASSETS				
Debtors	15	1,547,466	1,429,353	
Cash at bank and in hand		2,550,780	2,343,285	
		4,098,246	3,772,638	
CREDITORS: amounts falling due within one year	16	(849,946)	(1,030,761)	
NET CURRENT ASSETS			3,248,300	2,741,877
TOTAL ASSETS LESS CURRENT LIABILITIES			56,940,929	58,931,860
CREDITORS: amounts falling due after more than one year	17		(138,800)	(144,227)
Provisions for Liabilities	19		(703,490)	(696,402)
NET ASSETS			56,098,639	58,091,231
CHARITY FUNDS				
Endowment funds	20	50,823,144	52,873,748	
Unrestricted funds	20	5,275,495	5,217,483	
TOTAL FUNDS			56,098,639	58,091,231

The financial statements were approved by the Trustees on 3 August 2016 and signed on their behalf, by:

Mrs Ellen Mary Jolly

Jeremy Philip Winteringham Heal

The notes on pages 28 to 45 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CHARITY BALANCE SHEET
AS AT 5 APRIL 2016**

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	12		3,298,959	3,305,857
Investments	14	52,128,670	54,599,126	
Programme related investments	13	100,000	120,000	
Total investments			52,228,670	54,719,126
			55,527,629	58,024,983
CURRENT ASSETS				
Debtors	15	1,501,248	1,397,042	
Cash at bank		584,032	386,507	
		2,085,280	1,783,549	
CREDITORS: amounts falling due within one year	16	(689,747)	(875,686)	
NET CURRENT ASSETS			1,395,533	907,863
TOTAL ASSETS LESS CURRENT LIABILITIES			56,923,162	58,932,846
CREDITORS: amounts falling due after more than one year	17		(138,800)	(144,227)
NET ASSETS			56,784,362	58,788,619
CHARITY FUNDS				
Endowment funds			51,508,867	53,571,136
Unrestricted funds			5,275,495	5,217,483
TOTAL FUNDS			56,784,362	58,788,619

The financial statements were approved by the Trustees on 3 August 2016 and signed on their behalf, by:

Mrs Ellen Mary Jolly

Jeremy Philip Winteringham Heal

The notes on pages 28 to 45 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(1,626,697)</u>	<u>(1,676,208)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	3	1,361,450	1,426,261
Proceeds from programme related investments	13	20,000	20,000
Proceeds from sale of investments	14	3,766,673	2,126,339
Purchase of investments	14	<u>(3,313,931)</u>	<u>(2,126,510)</u>
Net cash provided by investing activities		<u>1,834,192</u>	<u>1,446,090</u>
Change in cash and cash equivalents in the year		207,495	(230,118)
Cash and cash equivalents brought forward		<u>2,343,285</u>	<u>2,573,403</u>
Cash and cash equivalents carried forward	23	<u><u>2,550,780</u></u>	<u><u>2,343,285</u></u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). and Charities Act 2011.

The accounts (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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice from 1 April 2005 which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by the Charities SORP (FRS102) the restatement of comparative items was required. No restatements were required.

In accordance with the requirements of FRS102, a reconciliation of net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported consolidated net income at 5 April 2015	£
Net income/(expenditure) as previously stated	(215,468)
Adjustment for gains/(losses) on investments now treated as a component of net income	1,213,136
	<hr/>
Net consolidated income as restated at 5 April 2015	997,668
	<hr/>

1.3 GOING CONCERN

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1. ACCOUNTING POLICIES (continued)

1.4 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

The endowment fund is a restricted fund which is to be used in accordance with specific restrictions imposed by the founder. The costs of administering the fund are charged against the specific fund.

Investment income, gains and losses are allocated to the appropriate fund.

The aim and use of each fund is set out in the notes to the financial statements.

1.5 INCOME

All incoming resources are recognised once the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability with the exception of certain investment income referred to below.

Donated facilities are included at the Trustees best estimate of the value to the Charity. No amounts are included for services donated by volunteers.

Interest is accounted for on an accruals basis and is shown inclusive of the recoverable income tax.

Income from Grange Farm Landowners is accounted for when notified of a receipt with the exception of rental income which is recognised on an accruals basis.

Dividend income is accounted for in the period within which the Charity is entitled to receipt. Income from property funds are recognised by reference to the payment date and are shown inclusive of recoverable UK income tax.

Income from investment properties is recognised on an accruals basis.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1. ACCOUNTING POLICIES (continued)

1.6 EXPENDITURE

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Overhead and support costs have been allocated between costs of generating funds, charitable activities and governance. Staff costs are allocated on the basis of a best estimate of time spent by each member of staff and their cost on each activity. Similarly other costs are allocated on the basis of the purpose of the expenditure. The allocation of overheads and support costs is analysed in the notes to the financial statements.

Costs of generating funds consist of the costs of managing the investment portfolio and investment property together with the property development costs of the trading subsidiary.

Costs of charitable activities include grant making and an apportionment of overhead, support costs and governance costs. Grants for institutions are recognised when the offer is indicated to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants for individuals can not be quantified at the time a commitment is made and they are therefore accounted for when paid. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings are included in the Balance Sheet at cost with the exception of the freehold and the leasehold flats let for charitable purposes and the church car park, that are at fair value. The Trustees undertook a revaluation of the freehold flats, the leasehold flats and car park as at 5th April 2016. The Trustees carry out an annual impairment review and consequently no depreciation is charged on buildings as their estimated value is not less than their carrying cost.

Office equipment costing more than £250 is capitalised and included in the Balance Sheet at historic cost.

Depreciation is provided on a straight line basis at a rate of between one sixth and one tenth of cost per annum.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1. ACCOUNTING POLICIES (continued)

1.8 INVESTMENTS

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 closing quoted market price.

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.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The unquoted property funds are valued at the mid market unit price nearest to the balance sheet date.

Programme related or social investments are initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

The interest in the subsidiary is included at fair value by the Trustees at 5th April 2016.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid net of any trade discounts due.

1.10 CASH AT BANK AND IN HAND

Cash at bank and 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.

1.11 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.

1.12 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1. ACCOUNTING POLICIES (continued)

1.13 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.14 PENSIONS

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

1.15 UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The key areas in the financial statements where these judgements and estimates have been made are as follows:

- Depreciation on fixed assets
- Estimation of provisions
- Fair value of investments
- Grants accrued payable in more than one year.

2. INCOME FROM DONATIONS

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	-	2,100

In 2015 all of the donation income was attributable to unrestricted income funds.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016**

3. INVESTMENT INCOME

	Unrestricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment properties	187,562	2,800	190,362	186,208
Dividends and distributions from UK listed investments	619,030	-	619,030	722,619
Dividends and distributions from overseas listed investments	440,003	-	440,003	384,976
Dividends and distributions from unlisted investments	20,070	-	20,070	19,252
Interest on cash held within investment assets	62,464	15,095	77,559	98,919
Interest on current asset deposits	14,426	-	14,426	14,287
	<u>1,343,555</u>	<u>17,895</u>	<u>1,361,450</u>	<u>1,426,261</u>

In 2015 £21,970 of the total investment income related to the trading subsidiary and was attributable to endowment funds with the remaining £1,404,291 attributable to unrestricted income funds.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Notional rent from charitable tenants	33,256	33,256	24,403
Letting of non investment property	17,089	17,089	24,602
	<u>50,345</u>	<u>50,345</u>	<u>49,005</u>

In 2015 all of the income from charitable activities was attributable to unrestricted income funds.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

5. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment property expenses	54,601	-	54,601	59,200
Stockbrokers fees	3,173	28,561	31,734	33,996
Investment and legal fees	3,373	30,357	33,730	40,970
Support costs (note 8)	17,376	14,878	32,254	28,543
	<u>78,523</u>	<u>73,796</u>	<u>152,319</u>	<u>162,709</u>

In 2015 £75,274 of the investment management costs were attributable to endowment funds with the remaining £87,435 attributable to unrestricted income funds.

6. CHARITABLE ACTIVITIES

	Direct activities 2016 £	Grant funding of activities 2016 £	Support and governance costs (note 8) 2016 £	Total 2016 £	Total 2015 £
Grant making (note 7)	-	991,441	241,830	1,233,271	1,502,680
Provision of accommodation	20,354	-	-	20,354	18,700
Church costs	3,740	-	-	3,740	4,950
	<u>24,094</u>	<u>991,441</u>	<u>241,830</u>	<u>1,257,365</u>	<u>1,526,330</u>

In 2015 all of the expenditure from charitable activities was attributable to unrestricted income funds.

7. ANALYSIS OF GRANTS

	Grants to Institutions 2016 £	Grants to Individuals 2016 £	Total 2016 £	Total 2015 £
Grants (net of sums written back)	<u>613,040</u>	<u>378,401</u>	<u>991,441</u>	<u>1,264,594</u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

ANALYSIS OF GRANTS (continued)

Analysis of grants by charitable purpose (by number and amount):

	Grants to Institutions Number	Grants to Individuals Number	Grants to Institutions £	Grants to Individuals £
Relief of poverty	54	1,968	169,585	378,401
Advancement of education	18	-	37,046	-
Advancement of religion	19	-	43,450	-
Public and other charitable purposes	111	-	362,959	-
	202	1,968	613,040	378,401

8. SUPPORT COSTS

	Investment management costs (note 5) £	Grant making (note 7) £	Governance (note 7) £	Total 2016 £	Total 2015 £
Trustees' expenses	2,272	1,704	1,704	5,680	5,762
Legal fees	2,643	15,861	8,525	27,029	20,857
Auditors' remuneration	-	-	15,306	15,306	12,330
Insurance	-	-	4,832	4,832	4,553
Subscriptions and publication	2,880	1,487	1,486	5,853	5,456
Accountancy fees	5,472	2,738	2,736	10,946	8,241
Office costs	6,275	23,839	12,395	42,509	39,242
Costs recharged to external entities	-	-	(64,775)	(64,775)	(63,600)
Wages and salaries	11,678	88,636	71,615	171,929	181,453
National insurance	-	17,584	-	17,584	15,544
Pension cost	-	30,293	-	30,293	29,762
Depreciation	1,034	4,140	1,724	6,898	7,032
	32,254	186,282	55,548	274,084	266,632

9. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £19,680 (2015 - £16,580), and fees for other services of £4,308 (2015 - £3,579). The Audit fee for the parent charity is £12,500 (2015: £12,330).

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

10. STAFF COSTS, KEY MANAGEMENT REMUNERATION AND TRUSTEES' REMUNERATION AND EXPENSES

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	171,929	181,453
Social security costs	17,584	15,544
Other pension costs	30,293	29,762
	<u>219,806</u>	<u>226,759</u>

The average monthly number of employees was: 6 (2015: 6) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

2016 No.	2015 No.
<u>5</u>	<u>5</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the trustees of the Charity and the directors of the wholly owned subsidiary The Kesgrave Covenant Limited.

Mr C M Rope, Mrs E M Jolly and Mr P A Jolly received no remuneration.

A total of £5,615 (2015: £5,762) was reimbursed to Mr C M Rope during the year in respect of travel, phone and other expenses. In addition at the year end there was an accrual of £1,500 (2015: £1,500) for further expenses reimburseable to Mr C M Rope.

Mr J P W Heal, consultant, and Mrs C S J Scott, partner, both at Messrs Howes Percival LLP solicitors, received no remuneration directly or reimbursed expenses. Howes Percival's fees for legal services are charged on an arm's length basis. Total fees payable to Messrs Howes Percival LLP incurred by the Charity were £27,530 (2015: £24,231) which includes both revenue and capital, of which £7,630 (2015: £1,916) was outstanding at the year end. The Charity bears a share of fees paid by Grange Farm Landowners which amounted to £501 (2015: £3,611). The subsidiary incurred Howes Percival fees of £5,861 (2015: £1,578) in the course of the business of the company of which £Nil (2015: £Nil) was outstanding at the year end.

During the year, no directors of the subsidiary received any remuneration (2015: £NIL).

Pension costs relate to contributions to money purchase schemes in respect of six employees (2015: six).

11. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016**

12. TANGIBLE FIXED ASSETS

GROUP AND CHARITY COST OR VALUATION	Freehold property £	Long-term leasehold property £	Office equipment £	Total £
At 6 April 2015 and 5 April 2016	3,180,958	87,875	86,754	3,355,587
DEPRECIATION				
At 6 April 2015	-	-	49,730	49,730
Charge for the year	-	-	6,898	6,898
At 5 April 2016	-	-	56,628	56,628
NET BOOK VALUE				
At 5 April 2016	3,180,958	87,875	30,126	3,298,959
At 5 April 2015	3,180,958	87,875	37,024	3,305,857

The trading subsidiary owns freehold land at £nil cost. The trustees do not consider it to have a value which is material to the financial statements.

13. PROGRAMME RELATED INVESTMENTS

GROUP AND CHARITY MARKET VALUE	Total £
At 6 April 2015	120,000
Repayments during the year	(20,000)
At 5 April 2016	100,000
At 5 April 2015	120,000

PROGRAMME RELATED INVESTMENTS COMPRISE:

	Loan 2016 £	Total 2015 £
Loan for the advancement of religion	100,000	120,000

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

14. FIXED ASSET INVESTMENTS

GROUP	Unquoted property funds £	Listed investments £	Cash and fixed interest deposits £	Unlisted investment £	Investment properties £	Total £
MARKET VALUE						
At 6 April 2015	484,852	37,578,732	11,331,217	15,000	3,354,325	52,764,126
Additions	-	73,054	3,229,013	-	13,756	3,315,823
Disposal proceeds	-	(186,494)	(3,522,126)	-	(89,186)	(3,797,806)
Revaluations and gains	47,275	(2,064,989)	(1,892)	-	31,133	(1,988,473)
At 5 April 2016	532,127	35,400,303	11,036,212	15,000	3,310,028	50,293,670

CHARITY	Unquoted property funds £	Listed investments £	Cash held in portfolio £	Unlisted investment £	Investment properties £	Total £
MARKET VALUE						
At 6 April 2015	484,852	37,578,732	11,331,217	1,850,000	3,354,325	54,599,126
Additions	-	73,054	3,229,013	-	13,756	3,315,823
Disposals	-	(186,494)	(3,522,126)	-	(89,186)	(3,797,806)
Revaluations	47,275	(2,064,989)	(1,892)	-	31,133	(1,988,473)
At 5 April 2016	532,127	35,400,303	11,036,212	1,850,000	3,310,028	52,128,670

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

14. FIXED ASSET INVESTMENTS (continued)

KESGRAVE COVENANT LIMITED

The Charity's unlisted investment represents the whole of the issued share capital of Kesgrave Covenant Limited which is a trading company incorporated in England. The investment was valued at 5th April 2016 by the Trustees. The Company is concerned with the operational aspects of land and building development opportunities. The company reported a profit after tax of £11,665 (2015: £18,175). No gift aid payment was made during the year (2015: £Nil). The following is a summary of the results of the subsidiary : -

Profit and loss account:

	2016 £	2015 £
Turnover	59,329	49,329
Cost of sales	(24,965)	(12,996)
Gross profit	34,364	36,333
Administrative expenses	(37,415)	(35,578)
Other operating income	2,800	2,800
Other interest receivable and similar income	15,095	19,170
Profit before tax	14,844	22,725
Tax on ordinary activities	(3,179)	(4,550)
Profit for the year	11,665	18,175
Assets	2,017,563	1,987,884
Liabilities	(868,186)	(850,162)
Net assets carried forward	1,149,377	1,137,712

The subsidiary has been consolidated on a line by line basis in the SOFA. The results include transactions with the Charity that have been eliminated on consolidation.

The Group unlisted investment represents the value of a minority shareholding held by Kesgrave Covenant Limited.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

14. FIXED ASSET INVESTMENTS (continued)

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by taking investment advice and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

15. DEBTORS

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	20,263	20,445	4,344	126
Grange Farm Landowners	1,337,981	1,243,712	1,337,981	1,243,712
Taxation and social security	4,996	5,952	3,603	4,636
Other debtors	22,795	1,995	-	-
Prepayments and accrued income	161,431	157,249	155,320	148,568
	1,547,466	1,429,353	1,501,248	1,397,042

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016**

**16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	60,281	2,621	-	-
Taxation and social security	9,479	10,518	-	-
Other creditors	122,877	121,042	42,515	34,701
Accruals	71,866	102,858	61,789	47,263
Grants accrued (see Note 18)	585,443	793,722	585,443	793,722
	849,946	1,030,761	689,747	875,686

**17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	GROUP		CHARITY	
	2016	2015	2016	2015
	£	£	£	£
Grants accrued (see Note 18)	138,800	144,227	138,800	144,227

18. GRANTS ACCRUED

	Institutional grants 2016 £	Individual grants 2016 £
Grants accrued at 6 April 2015	937,949	-
New commitments made in the year	640,740	-
Commitments cancelled during the year	(27,700)	-
Commitments paid during the year	(826,746)	-
Grants accrued at 5 April 2016	724,243	-

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016**

19. PROVISIONS

GROUP	Provisions £
At 6 April 2015	696,402
Additions	10,057
Amounts used	(2,969)
At 5 April 2016	<u>703,490</u>

The Kesgrave Covenant Limited has obligations to perform certain works in respect of previously completed land sales. The work is not expected to be completed within the forthcoming financial year.

The Charity has no provisions.

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS					
Church fund	125,000	-	-	-	125,000
Unrestricted designated fund	3,150,208	-	-	-	3,150,208
Unrestricted designated fund - fixed asset revaluation reserve	118,625	-	-	-	118,625
	<u>3,393,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,393,833</u>
GENERAL FUNDS					
General Funds	1,823,650	1,393,900	(1,335,888)	-	1,881,662
Total Unrestricted funds	<u>5,217,483</u>	<u>1,393,900</u>	<u>(1,335,888)</u>	<u>-</u>	<u>5,275,495</u>
ENDOWMENT FUNDS					
Expendable endowment	51,721,136	-	(73,796)	(1,988,473)	49,658,867
Trading subsidiary	1,152,612	77,224	(65,559)	-	1,164,277
	<u>52,873,748</u>	<u>77,224</u>	<u>(139,355)</u>	<u>(1,988,473)</u>	<u>50,823,144</u>
Total of funds	<u>58,091,231</u>	<u>1,471,124</u>	<u>(1,475,243)</u>	<u>(1,988,473)</u>	<u>56,098,639</u>

The Expendable Endowment Fund represents the assets which are held permanently by the Charity. The Founder expressed the strong wish that this fund should not be spent except in the most exceptional circumstances. The cost of investment management and administration is charged to the fund. All realised and unrealised gains and losses on investment assets are accounted for in the fund. Income generated by the assets of the fund is available for utilisation by the Unrestricted Fund and has

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

20. STATEMENT OF FUNDS (continued)

accordingly been included in that Fund.

Unrestricted General Funds are funds which the Trustees are free to use in accordance with the charitable objectives.

The Church Maintenance Fund comprises funds held in readiness for the maintenance of Kesgrave Catholic Church.

The Unrestricted Designated Fund comprises amounts set aside to fund buildings held for charitable use including Kesgrave Catholic Church, property let for charitable purposes and the Charity offices and consequently the Fund is not available for distribution. All unrealised gains and losses on revaluation are accounted for in the Unrestricted designated fund - revaluation reserve.

21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	3,298,959	-	3,298,959	3,305,857
Fixed asset investments	1,373,542	48,920,128	50,293,670	52,764,125
Programme related investments	-	100,000	100,000	120,000
Current assets	741,407	3,356,838	4,098,245	3,772,638
Creditors due within one year	(138,413)	(711,532)	(849,945)	(1,030,760)
Creditors due in more than one year	-	(138,800)	(138,800)	(144,227)
Provisions for liabilities and charges	-	(703,490)	(703,490)	(696,402)
	<u>5,275,495</u>	<u>50,823,144</u>	<u>56,098,639</u>	<u>58,091,231</u>

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,992,592)	997,668
Adjustment for:		
Depreciation charges	6,898	7,031
Losses/(gains) on investments	2,017,713	(1,213,135)
Dividends, interest and rents from investments	(1,361,450)	(1,426,261)
Increase/(decrease) in provisions	7,088	(90,384)
(Increase)/decrease in debtors	(118,113)	44,826
(Decrease)/increase in creditors	(186,241)	4,047
Net cash used in operating activities	<u>(1,626,697)</u>	<u>(1,676,208)</u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	2,550,780	2,343,285
	<u>2,550,780</u>	<u>2,343,285</u>

24. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £30,293 (2015 - £29,762). Contributions totalling £NIL (2015 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

25. RELATED PARTY TRANSACTIONS

	Transactions during the year 2016 £	Year end balance 2016 £	Transactions during the year 2015 £	Year end balance 2015 £
WO & PO Jolly Holdings Limited (Group)				
Administrative expenses recharged	12,000	-	11,925	-
Rental income	6,500	-	6,500	-
Property support, administration and accountancy services	(17,016)	-	(18,558)	-
Mr C M Rope				
Administrative expenses recharged	6,830	-	6,730	-
Loan	-	(30,598)	-	(30,598)
Investments held on behalf of the charity	-	141,975	-	188,012
Grange Farm Landowners				
Rent received (share)	48,773	1,337,981	45,609	1,243,712
Interest received (share)	9,771	-	11,684	-
Long lease granted (share)	89,186	-	-	-
Investment property costs (share)	(6,040)	-	(6,040)	-
Costs (share)	(8,686)	-	(14,805)	-
Distributions (share)	42,000	-	45,500	-
Administrative expenses recharged	4,850	-	4,850	-
Investment properties (share)	-	842,726	-	898,000

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

25. RELATED PARTY TRANSACTIONS (continued)

Mr C M Rope and Mrs E M Jolly are both directors of W O & P O Jolly Holdings Limited and its subsidiary WO & PO Jolly (Ipswich) Limited. There are recharges between the two entities in respect of administration, rent received, utilities and document storage from W O & P O Jolly Holdings Limited, and the charity was recharged accountancy and administration services by the company but at a rate below the market value of those services.

Mr C M Rope, trustee, holds shares in a company in his own name on behalf of the charity. The quoted company does not permit shares to be held other than by individuals.

The Mrs L D Rope Third Charitable Settlement has a beneficial interest in a bare trust, Grange Farm Landowners of which Mr C M Rope is a trustee, which holds interests in land. The charity also recognised its proportion of Grange Farm Landowners' income and costs. The charity received recharged administrative expenses and its share of Grange Farm Landowners' distributions.