

CHARITY NUMBER: 271784

THE ATD FOURTH WORLD TRUST

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2015

RPG CROUCH CHAPMAN LLP
Chartered Accountants
62 Wilson Street
London EC2A 2BU

THE ATD FOURTH WORLD TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION AS AT 31ST DECEMBER 2015

CHARITY NUMBER: 271784

PRINCIPAL ADDRESS: 48 Addington Square
London
SE5 7LB

TRUSTEES: C. Bloomfield
P. Daniels
P. Paroissien
S. Williams (resigned 21 September 2015)
V. Reboul - Salze
I. Pypaert-Perrin

AUDITORS: RPG Crouch Chapman LLP
62 Wilson Street
London
EC2A 2BU

BANKERS: HSBC Bank Plc
Camberwell Green Branch
23 Denmark Hill
Camberwell Green
London
SE5 8RP

Cater Allen Bank
9 Nelson Street
Bradford
BD1 5AN

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements for the 12 months ended 31st December 2015. They have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is a registered charity, number 271784. The Trust was established by its governing document, the Deed of Trust dated 13th July 1976.

The Trustees who have served during the year were:

C. Bloomfield

P. Daniels

V. Reboul - Salze

P. Paroissien

S. Williams (resigned 21 September 2015)

I. Pypaert – Perrin

There have been no changes to the Trustees since the year end.

During the period the Trustees met three times.

The Trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit in relation to the aims of the Charity. The report sets out these aims and objectives and describes how they have been met in the current year. In particular the charity has provided significant relief from poverty to families in the UK and overseas.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

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RISKS FACING THE ATD FOURTH WORLD TRUST

The Trustees have considered the risks facing the organisation and are of the opinion that the Trust's principal financial risk is the failure to obtain sufficient funding to enable it to continue to fulfil its objectives. This risk is being addressed in a number of ways.

- The Trust ensures it maintains good relationships with its core funders. This includes ensuring all obligations are met, financial systems are suitable to ensure the funds received are properly secured, spent and recorded according to the instruction of the funders, the Statement of Recommended Practice and generally accepted accounting practices in the UK.
- The Trust is also continually seeking alternative sources of funding in order to diversify its risk away from its core funders.
- Other principal financial risks facing the Trust are addressed by insurance and procedures designed to ensure that the Trust is materially protected from financial and operational loss.

OBJECTIVES AND ACTIVITIES

Its objective is to provide relief to families in need of recuperation and rehabilitation by reason of their poverty or social/economic circumstances, both in the United Kingdom and countries overseas. The Trust does not provide financial assistance to individuals. Its main activities are to employ, train and support core workers with British nationality who it contracts to other charities working with similar objectives and to hold properties for use by such charities. The Trust holds the freehold of properties situated at 48 Addington Square, London, "Frimhurst" at Frimley Green in Surrey and "Braendam" at Thornhill in Scotland.

ACHIEVEMENTS AND PERFORMANCE

The provision of the properties and personnel to other charities which work for relief from poverty continued through the year. The Trust has supported 21 core workers during the year, providing salaries, pension arrangements and generally attending to training and welfare needs so that they can work effectively with the charities to which they are seconded. During the year they have worked with charities in the UK, France, Belgium, Ireland, Switzerland, Mexico, Taiwan (ROC) and Tanzania. During the year the Trust also raised funds in the UK for a project in Peru. The Trust's work continues to be supervised by its Trustees at regular Trust meetings and by reviewing reports and discussion with management.

FINANCIAL REVIEW

In 2015 net incoming resources were £23,833 compared with £9,317 outgoing in 2014. Expenditure at £150,161 compared with £138,660 in 2014 was higher due to increased core salary and pension costs. Income was in accordance with expectations and covered all expenses.

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

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RESERVES

The Trustees consider that sufficient, but not excessive, reserves are retained to meet the commitments of the charity, the principal reserve being to cover the possible need for salary support and for future pensions for core workers, should grant income be reduced.

PLANS FOR FUTURE PERIODS

The Trust intends to continue to hold the properties and to recruit and support core workers for the purpose of its objectives.

ON BEHALF OF THE TRUSTEES

P. DANIELS

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Trustee

5th July 2016

.....

Date

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ATD FOURTH WORLD TRUST

We have audited the financial statements of The ATD Fourth World Trust for the year ended 31st December 2015 on pages 6 to 10. These financial statements have been prepared under the accounting policies set out on page 8.

This report is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011. 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 the Charity's Trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the Trustees for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees.

We have been appointed auditors under Section 145 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements 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 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 Report of the Trustees 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.

Opinion on financial statements

In our opinion the financial statements:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

62 Wilson Street
London EC2A 2BU

3rd August 2016

RPG CROUCH CHAPMAN LLP
Chartered Accountants
Statutory Auditors

RPG Crouch Chapman LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

THE ATD FOURTH WORLD TRUST

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

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2015 £	Total 2014 £
INCOME FROM					
Donations		16,403	67,208	83,611	25,548
Interest received		-	960	960	1,320
Fees		-	89,423	89,423	102,475
		<u>16,403</u>	<u>157,591</u>	<u>173,994</u>	<u>129,343</u>
Total Income		<u>16,403</u>	<u>157,591</u>	<u>173,994</u>	<u>129,343</u>
EXPENDITURE ON					
Direct charitable expenditure	3	<u>19,226</u>	<u>130,935</u>	<u>150,161</u>	<u>138,660</u>
NET INCOME/(EXPENDITURE)		(2,823)	26,656	23,833	(9,317)
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		<u>43,271</u>	<u>135,917</u>	<u>179,188</u>	<u>188,505</u>
TOTAL FUNDS CARRIED FORWARD		<u>40,448</u>	<u>162,523</u>	<u>203,021</u>	<u>179,188</u>

The notes on pages 8 to 10 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

BALANCE SHEET AT 31ST DECEMBER 2015

	Notes	£	2015 £	£	2014 £
TANGIBLE FIXED ASSETS	2		49,000		49,000
CURRENT ASSETS					
Cash at bank	5	131,454		105,991	
Debtors		23,047		25,645	
		<u>154,501</u>		<u>131,636</u>	
CURRENT LIABILITIES					
Creditors		(480)		(1,448)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			154,021		130,188
NET ASSETS			<u>203,021</u>		<u>179,188</u>
FUNDS OF THE CHARITY					
UNRESTRICTED FUNDS					
General			78,815		83,900
Designated			82,258		52,017
RESTRICTED FUNDS	6		<u>40,448</u>		<u>43,271</u>
TOTAL CHARITY FUNDS			<u>203,021</u>		<u>179,188</u>

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015)

Approved by the Trustees on 5th July 2016
and signed on their behalf by

P. DANIELS

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Trustee

The notes on pages 8 to 10 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2015

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Premises

The properties listed in the Report of the Trustees are provided rent free to other charities for as long as they continue, in the opinion of the Trustees, to be used for purposes consistent with the Trust's objectives.

Incoming Resources

Incoming Resources consist of grants, donations and fees receivable during the year together with interest received. Grants covering specific time periods are attributed to the accounting period to which they relate.

Depreciation

No depreciation is provided on freehold buildings since in the opinion of the Trustees the potential depreciation charge and accumulated depreciation on cost are immaterial in relation to the market value of the properties.

Cash Flow Statement

Under Financial Reporting Standard 1, the charity is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Pension Scheme

The trust is a Participating Employer in a money purchase scheme. Costs incurred are charged as paid.

Legacies

Legacies are recognised when the bequest is confirmed and the amount quantified.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

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2. TANGIBLE FIXED ASSETS

The cost of the freehold premises at the beginning and end of the year was £49,000. In accordance with the SORP, the Trustees have reviewed the market value of the properties and consider these to be materially in excess of the value shown in the accounts. The Trustees have not commissioned a valuation of the freehold land and buildings since they do not consider this an appropriate use of resources. The buildings replacement insurance value is in the region of £8 million.

3. CHARITABLE EXPENDITURE

	Restricted Funds £	Unrestricted Funds £	2015 Total £	2014 Total £
Building improvements	-	-	-	2,165
Salaries of core workers	-	92,393	92,393	91,043
Pension costs	13,434	36,527	49,961	43,464
Bank charges	-	631	631	584
Relocations	-	300	300	379
Accounting	-	100	100	100
Insurance	-	444	444	445
Governance costs	-	540	540	480
Peruvian community building project	5,792	-	5,792	-
	<u>19,226</u>	<u>130,935</u>	<u>150,161</u>	<u>138,660</u>

4. EMPLOYEES

	2015	2014
The average number of employees was	<u>11</u>	<u>10</u>

No remuneration or benefits have been paid to or waived by the Trustees. Nothing (2014: £Nil) was reimbursed to the Trustees for travel expenses. No employee received emoluments at a rate exceeding £16,000 per annum in the year.

Included within staff costs are National Insurance contributions amounting to £2,322 (2014: £2,527).

5. BANK DEPOSITS

	2015 £	2014 £
Cater Allen Bank	80,960	80,000
HSBC Bank Plc	49,294	25,991
	<u>130,254</u>	<u>105,991</u>

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

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6. RESTRICTED FUNDS

	Vista Alegre £	Employee Pension Benefits £	Cedar House Impr'mt £	Total 2015 £	Total 2014 £
Donations	6,403	-	10,000	16,403	-
Expenditure	(5,792)	(13,434)	-	(19,226)	(13,434)
Net incoming/outgoing	611	(13,434)	10,000	(2,823)	(13,434)
Balances at start of year	-	43,271	-	43,271	56,705
Balances at end of year	611	29,837	10,000	40,448	43,271

Vista Alegre Fund

The Trust raised £6,403 in donations from private individuals in the UK toward the cost of a project in Peru which aims to support an impoverished local community in the provision of a building in which ATD Cuarto Munde, an associate of the Trust, provides street libraries for the inhabitants. During the year, the Trust remitted to the Vista Alegre community £5,792 of the funds collected.

Employee Pension Benefits Fund

A donation of £79,453 was received in 2012 to provide for the cost of increasing pension levels over the ensuing five years. During the year, pension costs of £13,434 (2014: £13,434) were charged to this Fund leaving a balance of £29,837 at the year end.

Cedar House Improvement Restricted Fund

Cedar House is part of the Frimhurst Family Home facility. A donation of £10,000 was received from a supporter, Johnson Wax Charitable Trust, toward the cost of professional fees for architects planning for major improvement to the building. Total cost of the work is expected to be around £250,000 and further donations are being sought.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

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7. UNRESTRICTED FUNDS	Employee Benefits Fund £	Cedar House Impr'mt £	General £	Total 2015 £	Total 2014 £
Donations	-	30,541	36,667	67,208	25,548
Fees	-	-	89,423	89,423	102,475
Interest	-	-	960	960	1,320
	<u>-</u>	<u>30,541</u>	<u>127,050</u>	<u>157,591</u>	<u>129,343</u>
Insurance	-	-	444	444	445
Pension costs	-	-	36,527	36,527	30,030
Salary of core workers	-	-	92,393	92,393	91,043
Audit	-	-	540	540	480
Bank charges	-	-	631	631	584
Relocations	300	-	-	300	379
Accounting	-	-	100	100	100
Building improvements	-	-	-	-	2,165
	<u>300</u>	<u>-</u>	<u>130,635</u>	<u>130,935</u>	<u>125,226</u>
Net incoming/(outgoing) resources for the year	(300)	30,541	(3,585)	26,656	4,117
Balances at start of year	<u>52,017</u>	<u>-</u>	<u>83,900</u>	<u>135,917</u>	<u>131,800</u>
Balances at end of year	<u>51,717</u>	<u>30,541</u>	<u>80,315</u>	<u>162,573</u>	<u>135,917</u>

Employee Benefits Designated Fund

This Fund is maintained to provide for the support of core workers. It has been used to cover special contributions needed to maintain future pensions and for use in future for other such unexpected needs.

Cedar House Improvement Designated Fund

In addition to the restricted amount referred to in note 6, a legacy of £30,541 was received from the estate of Margaret Howells, a former trustee of the Trust. The trustees have designated the proceeds toward the cost of the Cedar House Improvement project because she was closely involved with the activities of the Frimhurst Family Home.

8. APPOINTMENT OF TRUSTEES

The power of appointment rests with the Trustee body of the Charity.