

CHARITY NUMBER: 271784

THE ATD FOURTH WORLD TRUST

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2016

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 2016

CHARITY NUMBER: 271784

PRINCIPAL ADDRESS: 48 Addington Square
London
SE5 7LB

TRUSTEES: C. Bloomfield
P. Daniels
P. Paroissien
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 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those 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.

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
P. Paroissien
V. Reboul – Salze
I. Pypaert–Perrin

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

During the period the Trustees met three times.

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 ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

- continued

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.

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. The Trust's work continues to be supervised by its Trustees at regular Trust meetings and by reviewing reports and discussion with management.

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES - continued

FINANCIAL REVIEW

In 2016 incoming resources were £127,891 compared with £173,994 in 2015. Expenditure at £151,125 was close to the 2015 level of £150,161. Income was lower in the absence of the unusually high level received in 2015.

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


.....
Trustee

26.06.2017
.....
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 2016 on pages 6 to 16. These financial statements have been prepared under the accounting policies set out on pages 9 to 11.

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 2016 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

31/07/2017

RPG Crouch L

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 2016

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Income					
Donations and legacies	3	-	25,300	25,300	83,611
Charitable activities	4	-	101,860	101,860	89,423
Other trading activities		-	-	-	-
Investments		-	731	731	960
Total Income		-	127,891	127,891	173,994
Expenditure on					
Charitable activities	5	21,763	129,362	151,125	150,161
Total Expenditure		21,763	129,362	151,125	150,161
Net Income/(Expenditure)		(21,763)	(1,471)	(23,234)	23,833
Net movement in funds		(21,763)	(1,471)	(23,234)	23,833
Reconciliation of funds					
TOTAL FUNDS BROUGHT FORWARD		40,448	162,573	203,021	179,188
TOTAL FUNDS CARRIED FORWARD		18,685	161,102	179,787	203,021

The notes on pages 9 to 16 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

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

	Restricted Funds £	Unrestricted Funds £	Total 2015 £	Total 2014 £
Income				
Donations and legacies	16,403	67,208	83,611	25,548
Charitable activities	-	89,423	89,423	102,475
Other trading activities	-	-	-	-
Investments	-	960	960	1,320
Total Income	<u>16,403</u>	<u>157,591</u>	<u>173,994</u>	<u>129,343</u>
Expenditure on				
Charitable activities	19,226	130,935	150,561	138,660
Total Expenditure	<u>19,226</u>	<u>130,935</u>	<u>150,561</u>	<u>138,660</u>
Net Income/(Expenditure)	<u>(2,823)</u>	<u>26,656</u>	<u>23,833</u>	<u>(9,317)</u>
Net movement in funds	<u>(2,823)</u>	<u>26,656</u>	<u>23,833</u>	<u>(9,317)</u>
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>

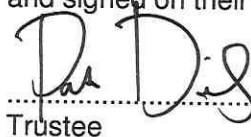
The notes on pages 9 to 16 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

BALANCE SHEET
AT 31ST DECEMBER 2016

	Notes	£	2016 £	£	2015 £
TANGIBLE FIXED ASSETS			49,000		49,000
CURRENT ASSETS					
Cash at bank	10	103,237		130,254	
Debtors		28,162		24,247	
		<u>131,399</u>		<u>154,501</u>	
CURRENT LIABILITIES					
Creditors		(612)		(480)	
NET CURRENT ASSETS			<u>130,787</u>		<u>154,021</u>
NET ASSETS			<u>179,787</u>		<u>203,021</u>
FUNDS OF THE CHARITY					
UNRESTRICTED FUNDS					
General			79,716		80,315
Designated			81,386		82,258
RESTRICTED FUNDS			<u>18,685</u>		<u>40,448</u>
TOTAL FUNDS OF THE CHARITY			<u>179,787</u>		<u>203,021</u>

Approved by the Trustees on
and signed on their behalf by

 26.06.2017
.....
Trustee

The notes on pages 9 to 16 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2016

The ATD Fourth World Trust is a charitable trust registered in England & Wales. Its principal place of business is 48 Addington Square, London SE5 7LB.

The principal activity of the trust continued to be that of tackling inequality and promoting social justice.

1. ACCOUNTING POLICIES

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102 and the reporting currency is GBP.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

Going Concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. There are no significant areas of adjustment and key assumptions that affect items in the accounts. With respect to the next reporting period, ending on 31 December 2017, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the ability to continue raising donations. If the company cannot pay the fees, the Trust would cease employing staff.

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.

Fund Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. Restricted funds recorded in these accounts consist of Cedar House Improvement Fund which is represented by a building at the Frimhurst Family Home, an Employee Benefits Fund to cover increased pension costs and funds raised for a library project in Peru.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

Income Recognition

Incoming Resources consist of grants, legacies, donations and fees receivable during the year together with interest received.

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grants covering specific time periods are attributed to the accounting period to which they relate unless required otherwise by the SORP (FRS102).

For legacies, entitlement is taken as the earlier of the date on which when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

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

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement by virtue of its early adoption of Update Bulletin 1 of the Charities SORP (FRS 102).

Pension Scheme

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

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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. INCOME FROM DONATIONS AND LEGACIES	2016 £	2015 £
Donations – ATD Foundation	25,000	36,994
Johnsons Wax	-	10,000
Various for Vista Alegre Project	-	5,846
Various	300	230
Legacy – Margaret Howells	-	30,541
	<u>25,300</u>	<u>83,611</u>

4. INCOME FROM CHARITABLE ACTIVITIES

Included within income from charitable activities are fees received from associated charities amounting to £101,860 (2015: £89,423).

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

5. EXPENDITURE ON CHARITABLE ACTIVITIES	2016 £	2015 £
Provision of core worker personnel:		
Salaries	93,642	92,393
Pension	46,503	49,961
Relocations	-	300
Wellbeing	872	-
Property management:		
Fees – Cedar House improvement	8,329	-
Appeal for community project in Peru:		
Remittance of funds raised	-	5,792
Support costs	1,779	1,715
	<u>151,125</u>	<u>150,161</u>
6. SUPPORT COSTS	2016 £	2015 £
Audit	600	540
Accountancy	100	100
Bank charges	620	631
Insurance	459	444
Total	<u>1,779</u>	<u>1,715</u>
7. AUDITORS' REMUNERATION	2016 £	2015 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<u>600</u>	<u>540</u>

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

8. EMPLOYEES	2016 No	2015 No
The average number of persons employed by the charity during the year was	9	11
	<u>9</u>	<u>11</u>
	2016 £	2015 £
Wages and salaries	92,964	90,071
National insurance	678	2,322
Staff pension	46,503	49,961
	<u>140,145</u>	<u>142,354</u>

No employee received emoluments at a rate exceeding £23,000 per annum.

In addition to the trustees, key management personnel comprise D. Kenningham and T. Croft – national co-ordinators. The aggregate remuneration of key management amounted to £33,039 (2015: £27,727).

Key management personnel salary costs recharged amounted to £29,356 (2015: £25,282).

9. FINANCIAL INSTRUMENTS	2016 £	2015 £
Financial instruments measured at fair value through income and expenditure	103,237	130,254
Financial assets that are debt instruments	28,162	24,247
	<u>131,399</u>	<u>154,501</u>
Financial liabilities measured at fair value through income and expenditure	612	480
	<u>612</u>	<u>480</u>

10. CASH AND CASH EQUIVALENTS	2016 £	2015 £
Short term deposits	80,000	80,960
Cash at bank	23,237	49,294
	<u>103,237</u>	<u>130,254</u>

11. TAXATION

The charity's activities fall within the exemptions afforded by the provisions of the Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

12. RESTRICTED FUNDS

	Vista Alegre £	Employee Pension Benefits £	Cedar House Impr'mt £	Total 2016 £	Total 2015 £
Donations	-	-	-	-	16,403
Expenditure	-	(13,434)	(8,329)	(21,763)	(19,226)
Net incoming/outgoing	-	(13,434)	(8,329)	(21,763)	(2,823)
Balances at start of year	611	29,837	10,000	40,448	43,271
Balances at end of year	611	16,403	1,671	18,685	40,448

Vista Alegre Fund

In 2015 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 2015, the Trust remitted to the Vista Alegre community £5,792 of the funds collected. The balance of £611 is held by the Trust until requested by ATD Cuarto Munde.

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 (2015: £13,434) were charged to this Fund leaving a balance of £16,403 at the 2016 year end.

Cedar House Improvement Restricted Fund

Cedar House is part of the Frimhurst Family Home facility. In 2015, 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. Costs incurred in 2016 were £8,329 leaving a balance of £1,671 at the year end.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

13. UNRESTRICTED FUNDS

	Employee Benefits Fund £	Designated Cedar House Impr'mt £	General £	Total 2016 £	Total 2015 £
Donations	-	-	25,300	25,300	67,208
Fees	-	-	101,860	101,860	89,423
Interest	-	-	731	731	960
	-	-	127,891	127,891	157,591
Insurance	-	-	459	459	444
Pension costs	-	-	33,069	33,069	36,527
Salary of core workers	-	-	93,642	93,642	92,393
Audit	-	-	600	600	540
Bank charges	-	-	620	620	631
Relocations	-	-	-	-	300
Accounting	-	-	100	100	100
Core worker health	872	-	-	872	-
	872	-	128,490	129,362	130,935
Net incoming/(outgoing) resources for the year	(872)	-	(599)	(1,471)	26,656
Balances at start of year	51,717	30,541	80,315	162,573	135,917
Balances at end of year	50,845	30,541	79,716	161,102	162,573

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 is to be used in future for other such unexpected needs.

Cedar House Improvement Designated Fund

In addition to the restricted amount referred to in note 12, a legacy of £30,541 received from the estate of Margaret Howells, a former trustee of the Trust, have been designated toward the cost of the Cedar House Improvement project because she was closely involved with the activities of the Frimhurst Family Home.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 st December 2016 are represented by:			
Tangible fixed assets	49,000	-	49,000
Net current assets	112,102	18,685	130,787
	<u>161,102</u>	<u>18,685</u>	<u>179,787</u>

Restricted funds have been provided by specific cash donations which must be held as Restricted.

	£
Cedar House Fund	1,671
Vista Alegre Fund	611
Employee Pensions Fund	16,403
	<u>18,685</u>

15. APPOINTMENT OF TRUSTEES

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