

**ALFRED CAPLIN CHARITY SETTLEMENT**

**REPORT AND ACCOUNTS**

**YEAR ENDED 5 APRIL 2017**

# **ALFRED CAPLIN CHARITY SETTLEMENT**

## **I N D E X**

**Year ended 5 April 2017**

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## **ALFRED CAPLIN CHARITY SETTLEMENT**

### **G E N E R A L   I N F O R M A T I O N**

**Year ended 5 April 2017**

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<b>Trustees</b>	Justin Sydney Kaplan Sarah Patricia Ann Caplin
<b>Address</b>	3 Orme Square London W2 4RS
<b>Independent examiner</b>	Steven Wakefield ACA Dixon Wilson 22 Chancery Lane London WC2A 1LS
<b>Charity number</b>	254328
<b>Bankers</b>	National Westminster Bank plc 1 Cavendish Square London W1A 4NU

## **ALFRED CAPLIN CHARITY SETTLEMENT**

### **TRUSTEES' ANNUAL REPORT**

**Year ended 5 April 2017**

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The trustees submit the annual report together with the accounts of the charity for the year to 5 April 2017. The accounts comply with current statutory requirements and are in compliance with the relevant provisions of the Charities Act 2011, the Trust Deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). The report should be read in conjunction with the general information provided on page 2.

#### **Administrative information**

The Alfred Caplin Charity Settlement is a charity registered with the Charity Commission, registration number 254328. It is governed by a trust deed dated 8 August 1967. The address of the charity is shown on page 2.

#### **Trustees**

The trustees who have served during the year are those shown on page 2.

The power of appointing new trustees to the settlement is vested in the settlor during his life and thereafter is vested in the trustees in accordance with the terms of the trust deed.

Candidates for the position of replacement trustee are in practice selected by members of the Caplin and Kaplan families.

#### **Investments**

Under the trust deed, the trustees may invest any monies in the purchase of any investments, wherever situated, not being investments involving personal liability and whether or not authorised by law for the investment of trust monies.

Trustees may invest in the purchase of freehold or leasehold land as they shall in their absolute discretion think fit.

The investment policy of the trustees is to maintain a balance between income and capital growth.

#### **Objectives and activities for the public benefit**

The object of the charity, as set out in the trust deed, is to pay or apply the income and (if the trustees think fit), the capital of the trust fund for the benefit of such charitable purposes or charitable institutions as the trustees select.

The trustees, having regard to the public benefit guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in section 4 of the same act.

#### **Organisation**

The charity's affairs are carried on by the settlement's trustees, who meet as necessary for this purpose.

#### **Review of activities and results**

During the year, the charity made net donations of £71,000 (2016 - £126,950) for charitable purposes. Investments at the year end had a market value of £243,172 (2016 - £342,506).

## ALFRED CAPLIN CHARITY SETTLEMENT

### TRUSTEES' ANNUAL REPORT

Year ended 5 April 2017

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#### Reserves

The trustees have the power to transfer funds from the Expendable Endowment Fund to make larger donations than distributing from the Unrestricted Income Fund alone would allow if they think it will allow the settlement to better meet its charitable objectives for the public benefit.

The carried forward Unrestricted Income Fund deficit at 5 April 2017 was £44,311 (2016 - £112,663). The deficit on the Unrestricted Income Fund decreased during the year and this was principally due to a transfer from the Expendable Endowment Fund and a decrease in donations. The trustees intend to make a transfer from the Expendable Endowment Fund to the Unrestricted Income Fund to cover this deficit.

#### Risk management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

By order of the trustees



JUSTIN SYDNEY KAPLAN  
Trustee

5 September 2017

## ALFRED CAPLIN CHARITY SETTLEMENT

### INDEPENDENT EXAMINER'S REPORT

Year ended 5 April 2017

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#### INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ALFRED CAPLIN CHARITY SETTLEMENT

I report on the accounts of the charity for the year ended 5 April 2017, which are set out on pages 6 to 13.

##### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

##### Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

##### Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 130 of the Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



STEVEN WAKEFIELD ACA  
Dixon Wilson  
22 Chancery Lane  
London WC2A 1LS

11 September 2017

# ALFRED CAPLIN CHARITY SETTLEMENT

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended 5 April 2017

	Note	Unrestricted Income Fund £	Expendable Endowment Fund £	2017 £	2016 £
<b>Income and endowments from:</b>					
<i>Investments</i>	2	28,129	-	28,129	15,829
<b>Expenditure on:</b>					
<i>Raising funds</i>					
Investment management costs	3	-	-	-	100
<i>Charitable activities</i>	4	72,440	-	72,440	128,392
<b>Total</b>		72,440	-	72,440	128,492
<b>Net expenditure before gains and losses on investments</b>		(44,311)	-	(44,311)	(112,663)
<b>Net gains/(losses) on investments</b>		-	24,134	24,134	(27,143)
<b>Net expenditure</b>		(44,311)	24,134	(20,177)	(139,806)
Transfers between funds		112,663	(112,663)	-	-
<b>Net movement in funds</b>		68,352	(88,529)	(20,177)	(139,806)
<i>Reconciliation of funds:</i>					
Total funds brought forward (page 7)	8	(112,663)	478,134	365,471	505,277
<b>Total funds carried forward (page 7)</b>	7,8	(44,311)	389,605	345,294	365,471

# ALFRED CAPLIN CHARITY SETTLEMENT

## BALANCE SHEET

At 5 April 2017

	Note	2017 £	2016 £
<b>Fixed assets:</b>			
Investments	5	<u>243,172</u>	<u>342,506</u>
<b>Current assets:</b>			
Cash at bank and in hand		105,002	24,405
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	6	<u>(2,880)</u>	<u>(1,440)</u>
<b>Net current assets</b>		<u>102,122</u>	<u>22,965</u>
<b>Net assets</b>		<u>345,294</u>	<u>365,471</u>
<b>The funds of the charity:</b>			
Unrestricted income fund (page 6)	7.8	<u>(44,311)</u>	<u>(112,663)</u>
Expendable endowment fund (page 6)	7.8	<u>389,605</u>	<u>478,134</u>
<b>Total charity funds</b>	7.8	<u>345,294</u>	<u>365,471</u>

The financial statements on pages 6 to 13 were approved by the Trustees on 5 September 2017.

SARAH PATRICIA ANN CAPLIN  
Trustee

*Sarah P A - Caplin*

JUSTIN SYDNEY KAPLAN  
Trustee

*Justin Sydney Kaplan*

## **ALFRED CAPLIN CHARITY SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 5 April 2017**

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#### **I. Accounting policies**

##### **(a) Basis of preparation and assessment of going concern**

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 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 Charities Act 2011.

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

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, the most significant areas of uncertainty that affect the carrying value of assets held by the trust are the level of investment return and the performance of investment markets (see the risk management section of the trustees' annual report for more information).

##### **(b) Funds structure**

The charity has an expendable endowment fund created by a gift. The income of this trust is unrestricted. The terms of the endowment allow the capital of the fund to be spent if the trustees so determine.

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.

##### **(c) Income recognition**

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. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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. Dividends are recognised once the dividend has been declared and the notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

## **ALFRED CAPLIN CHARITY SETTLEMENT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 5 April 2017**

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#### **(d) 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.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the trust. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside the control of the trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised as its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the trust that would permit the trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the trust.

#### **(e) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

#### **(f) Support and governance costs**

The charity does not incur support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. Governance costs relate to charitable activities.

#### **(g) Costs of raising funds**

The costs of generating funds consist of investment management costs.

#### **(h) Charitable activities**

Costs of charitable activities include grants made and governance costs as shown in note 4.

## ALFRED CAPLIN CHARITY SETTLEMENT

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 5 April 2017

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#### (i) Fixed asset 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. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The trust does not acquire put options, derivatives, or other complex financial instruments.

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.

#### (j) Realised gains and losses

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.

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2. Investment income	2017 £	2016 £
Dividends from listed investments	28,126	15,826
Interest on cash deposits	3	3
	<u>28,129</u>	<u>15,829</u>

Investment income in both years was attributable to the Unrestricted Income Fund.

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#### 3. Investment management costs

Investment management costs in 2016 were attributable to the Unrestricted Income Fund. There were no investment management costs incurred in 2017.

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# ALFRED CAPLIN CHARITY SETTLEMENT

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 5 April 2017

<b>4. Analysis of expenditure on charitable activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Grants made to charitable institutions:</i>		
Action Against Cancer	-	2,000
Bampton Classical Opera	-	1,000
Chai Cancer Care	500	5,000
Community Security Trust	5,000	10,000
DEMAND (Design & Manufacture for Disability)	2,500	-
Freedom from Torture	5,000	-
Jewish Blind and Disabled	2,000	-
Jewish Music Institute	-	2,000
Kol Nidre appeal (United Synagogue)	-	250
Magen David Adom	2,500	5,000
Nightingale House	-	10,000
Norwood Ravenswood	14,000	12,500
Pituitary Foundation	-	100
Purcell School of Music	2,000	3,000
Royal National Orthopaedic Hospital	2,500	-
Royal Opera House	1,000	-
South Hampstead Synagogue	5,000	10,000
The Barts and The London Charity	-	2,000
The Migration Museum Project	27,000	-
The Silver Line Helpline	-	50,000
United Jewish Israel Appeal	-	5,000
United Synagogue	2,000	1,600
World Jewish Relief	-	7,500
	<u>71,000</u>	<u>126,950</u>
<i>Governance costs allocated to charitable activities:</i>		
Independent Examiner's fees	1,440	1,442
	<u>1,440</u>	<u>1,442</u>
<b>Total</b>	<b><u>72,440</u></b>	<b><u>128,392</u></b>

Charitable expenditure in both years was attributable to the Unrestricted Income Fund.

# ALFRED CAPLIN CHARITY SETTLEMENT

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 5 April 2017

5. Fixed asset investments	2017 £	2016 £
Market value brought forward at 6 April 2016	342,506	389,714
Disposal proceeds	(123,468)	(20,065)
Net gains/(losses) on revaluation and disposal	24,134	(27,143)
Market value carried forward at 5 April 2017	<u>243,172</u>	<u>342,506</u>
<b>Historical cost</b>	<u>116,578</u>	<u>168,010</u>
<b>Investments at fair value consists of:</b>		
UK listed equities	205,852	265,506
Overseas listed equities	-	35,210
UK real estate investment trusts	37,320	41,790
Market value carried forward at 5 April 2017	<u>243,172</u>	<u>342,506</u>

All investments are carried at fair value. Investments are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value. Asset sales and purchases are recognised at the date of trade at cost.

The charity relies in part on dividend yield to finance its work and therefore volatility in yields is a risk to the charity. Liquidity risk is considered to be low as all assets are traded in markets with good liquidity.

6. Creditors: amounts falling due within one year	2017 £	2016 £
Independent examiner's fee accrual	1,440	1,440
Independent examiner's fee creditor	1,440	-
	<u>2,880</u>	<u>1,440</u>

7. Analysis of funds	Unrestricted income fund £	Expendable endowment fund £	Total £
Fixed assets	-	243,172	243,172
Net current (liabilities)/assets	(44,311)	146,433	102,122
	<u>(44,311)</u>	<u>389,605</u>	<u>345,294</u>

**ALFRED CAPLIN CHARITY SETTLEMENT****NOTES TO THE FINANCIAL STATEMENTS****Year ended 5 April 2017****8. Analysis of charitable funds**

	Balance brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Carried forward £
Unrestricted Income Fund	(112,663)	28,129	(72,440)	112,663	-	(44,311)
Expendable Endowment Fund	478,134	-	-	(112,663)	24,134	389,605
Total	<u>365,471</u>	<u>28,129</u>	<u>(72,440)</u>	<u>-</u>	<u>24,134</u>	<u>345,294</u>

**Analysis of charitable funds – previous year**

	Balance brought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Carried forward £
Unrestricted Income Fund	(92,697)	15,829	(128,492)	92,697	-	(112,663)
Expendable Endowment Fund	597,974	-	-	(92,697)	(27,143)	478,134
Total	<u>505,277</u>	<u>15,829</u>	<u>(128,492)</u>	<u>-</u>	<u>(27,143)</u>	<u>365,471</u>

**9. Related party disclosures**

The trustees received no emoluments or reimbursement of expenses for their services to the charity in the current or previous year.