

STOLLER CHARITABLE TRUST

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2017**

Registered Charity Number: 285415

WRIGLEY PARTINGTON

Chartered Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

STOLLER CHARITABLE TRUST

CONTENTS

	<u>Page No.</u>
Trustees' Report	1 - 3
Report of the Auditors	4
Statement of Financial Activities	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 12

STOLLER CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2017

The Trustees present their Annual Report together with the financial statements of Stoller Charitable Trust for the year ended 5 April 2017.

Reference and Administrative Information

<u>Charity number:</u>	285415
<u>Project Manager and Principal Address:</u>	Mr S M Lowe DL Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
<u>Trustees:</u> The trustees serving during the year were:	Sir Norman Stoller, CBE KStJ DL - Chairman J R B Gould Lady Stoller KSL Trustees Limited A P Dixon
<u>Accountants:</u>	Wrigley Partington Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
<u>Auditors:</u>	James Scott Chartered Certified Accountants Balmoral House Warwick Court Park Road Middleton Manchester M24 1AE
<u>Investment managers:</u>	ACPI 56 Conduit Street London W1S 2YZ
<u>Bankers:</u>	National Westminster Bank PLC 1 Waterhouse Street Halifax HX1 1JE
<u>Solicitors:</u>	Kuit Steinart Levy 3 St Mary's Parsonage Manchester M3 2RD

STOLLER CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2017 *continued*

Structure, Governance and Management

The Trust is an unincorporated trust constituted under a Trust Deed dated 21 April 1982 and is a registered charity, number 285415. The Trust was established by an initial gift from Sir Norman Stoller in 1982 and this has been followed in later years by additional substantial gifts by Sir Norman to the Trust. The Trust does not actively fundraise and seeks to continue the philanthropic work desired by the donor through the careful stewardship of its existing resources.

The Trustees are appointed by the Board of Trustees and serve for an indefinite period. The Trust Deed provides for a maximum of 10 trustees to serve at any one time.

The Trustees aim to meet on a regular basis when they agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to day administration of grants and the processing and handling of applications prior to consideration by the Board of Trustees is delegated to the Project Manager Stephen Lowe.

Risk Management

The Trust Deed gives the trustees wide powers. During the year all of its investments were administered by a professional investment manager, whose brief is to maximise long-term total return subject to the risks associated with a balanced portfolio. The Trustees consider that the Trust is subject to no other major risks.

Objectives and Activities for the Public Benefit

The Trustees support a wide variety of charitable causes, but with particular emphasis on those which are in Greater Manchester, medically-related or supportive of children. They also endeavour to maintain a balance between regular and occasional donations and large and small ones. Applications are normally reviewed on a regular basis and over 80 donations were made in the year.

The Trustees confirm that they have referred to the Charity Commission guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities and setting the grant making policy for the year. They are confident that the support the Trust gives to other charitable organisations as outlined above fulfils the public benefit test.

Achievements, Performance and Plans for Future Periods

The Trust achieved a satisfactory financial return on its investments when considering the market place generally and met its targets with donations to relevant charitable bodies and other beneficiaries. The level of donations will continue in the future.

Financial Review

Income is derived solely from donations and returns on investments, but the Trustees have decided to use Trust capital to make donations well in excess of annual income.

Total incoming resources exceeded £2.3m, with net investment gains of £0.5m. Donations during the year totalled more than £13m, with the result that the Trust balances were reduced by £10,460,655.

The Trust had financial commitments totalling £ 10,418,239 (2016 : £16,419,564) at the year end. The amounts will be paid over the next three years. Reserves held at the year end are sufficient to meet these commitments.

Reserves Policy

The trust deed does not refer to a specific reserves policy. The trustees are empowered to expand the annual income of the trust fund, together with as much of the capital thereof as they shall think fit in order to achieve the aims and objectives of the trust.

STOLLER CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 5 APRIL 2017 *continued*

Trustees' Responsibilities in Relation to the Financial Statements

Law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those accounts, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the accounts 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.

Compliance with Accounting Standards

The trustees confirm that the financial statements comply with the current statutory requirements, the Charities Act 2011, the provisions of the trust deed and the requirements of the Charities SORP (FRS 102).

Declaration

The trustees declare that they have approved the Trustees' Report above.

Signed on behalf of the Charity's Trustees

.....
Sir Norman Stoller, CBE KStJ DL
Chairman

5th February 2018

Date

STOLLER CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF STOLLER CHARITABLE TRUST

We have audited the financial statements of The Stoller Charitable Trust for the year ended 5 April 2017, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes. 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2017 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Charities Act 2011

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

James Scott

Chartered Certified Accountants
Statutory Auditor

Date: 5th February 2018

Balmoral House
Warwick Court
Park Road
Middleton
Manchester
M24 1AE

STOLLER CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account) FOR THE YEAR ENDED 5 APRIL 2017

		<u>Unrestricted funds</u>		<u>Unrestricted funds</u>	
		2017		2016	
	Note	£	£	£	£
<u>INCOME</u>					
Donations and legacies	2	493,500		379,940	
Investment income	3	<u>1,868,784</u>		<u>1,498,164</u>	
Total income			2,362,284		1,878,104
<u>EXPENDITURE</u>					
Charitable activities	4	<u>13,277,696</u>		<u>16,793,100</u>	
Total expenditure			<u>(13,277,696)</u>		<u>(16,793,100)</u>
Net income (expenditure) before other recognised gains and losses			(10,915,412)		(14,914,996)
<u>OTHER RECOGNISED GAINS AND LOSSES:</u>					
Gains and losses on investment assets	5		454,757		(4,396,992)
Net income (expenditure) and net movement in funds for the year			<u>(10,460,655)</u>		<u>(19,311,988)</u>
Reconciliation of funds					
Total funds brought forward			<u>31,117,315</u>		<u>50,429,303</u>
Total funds carried forward			<u><u>20,656,660</u></u>		<u><u>31,117,315</u></u>

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

STOLLER CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2017

	Note	2017		2016	
		£	£	£	£
<u>FIXED ASSETS</u>					
Investments	6		<u>25,648,358</u>		<u>30,968,987</u>
Total fixed assets			<u>25,648,358</u>		<u>30,968,987</u>
<u>CURRENT ASSETS</u>					
Debtors	7	5,500		-	
Cash at bank and in hand	8	<u>1,368,324</u>		<u>183,997</u>	
Total current assets			<u>1,373,824</u>	<u>183,997</u>	
<u>CREDITORS</u>					
Amounts falling due within one year	9	<u>6,365,522</u>		<u>35,669</u>	
Net current assets			(4,991,698)		148,328
Net assets			<u>20,656,660</u>		<u>31,117,315</u>
<u>THE FUNDS OF THE CHARITY</u>					
Unrestricted funds			<u>20,656,660</u>		<u>31,117,315</u>
Total charity funds			<u>20,656,660</u>		<u>31,117,315</u>

These accounts were approved by the board on 5th February 2018 and signed on its behalf by:

..... Trustee
J R B Gould

The accompanying notes are an integral part of this balance sheet.

STOLLER CHARITABLE TRUST**CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2017**

	<i>Note</i>	2017 £	2016 £
NET CASH USED IN OPERATING ACTIVITIES	10	<u>(6,459,843)</u>	<u>(16,426,603)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		1,590	4,471
Income from Managed Funds		1,867,194	1,445,049
Income from Unmanaged Funds		-	48,644
Purchase of investments		(493,500)	(379,940)
Other investment portfolio transactions		6,268,886	14,680,377
Cash provided by investing activities		<u>7,644,170</u>	<u>15,798,601</u>
Increase (Decrease) in cash and cash equivalents in the year		1,184,327	(628,002)
Cash and cash equivalents at the beginning of the year		183,997	811,999
Cash and cash equivalents at the end of the year	11	<u>1,368,324</u>	<u>183,997</u>

STOLLER CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

1) **ACCOUNTING POLICIES**

1.1 **Basis of preparation of 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 the Republic of Ireland (FRS 102) and the Charities Act 2011.

1.2 **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), the restatement of comparative items was required. No restatements were required. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

1.3 **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 can be measured reliably.

Donations are recognised once received. 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.

Investment income is recognised when receivable.

Investment gains and losses includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the period.

1.4 **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.

Governance costs are those incurred in connection with the constitutional and statutory requirements of the charity.

1) **ACCOUNTING POLICIES CONTINUED**

1.5 **Investments**

Investments quoted on a recognised Stock Exchange are valued at market value at the year end.

1.6 **Short term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.7 **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

1.8 **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the SOFA.

1.9 **Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

1.10 **Assessment of going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the Financial Statements have been drawn up on the going concern basis which assumes that the charity will continue in operational existence for the foreseeable future.

STOLLER CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017 *continued*

2)	<u>Income from donations and legacies</u>	2017	2016
		£	£
	Donations	493,500	379,940
		<u>493,500</u>	<u>379,940</u>
3)	<u>Investment income</u>	2017	2016
		£	£
	Interest received	1,590	4,471
	Income from Managed Funds	1,867,194	1,445,049
	Income from Unmanaged Funds	-	48,644
		<u>1,868,784</u>	<u>1,498,164</u>
4)	<u>Cost of charitable activities</u>	2017	2016
		Total	Total
		£	£
	Costs directly allocated to activities:		
	Donations	13,070,556	-
		<u>13,070,556</u>	<u>16,551,817</u>
	Support Costs:		
	Investment Management Costs	-	132,630
	Administration Fees	-	32,250
	Legal Fees	-	18,837
	Bank Interest and Charges	-	1,130
	Accountancy Fees	-	15,120
	Auditors Remuneration	-	3,960
	Other	-	3,213
		<u>-</u>	<u>207,140</u>
		<u>13,070,556</u>	<u>207,140</u>
	Total Expenditure	<u>13,070,556</u>	<u>207,140</u>
		<u>13,277,696</u>	<u>16,793,100</u>
5)	<u>Gains and losses on investment assets</u>	2017	2016
		£	£
	Gain/(loss) on sale of investments	2,893,705	(2,740,066)
	Gain/(loss) resulting from revaluation to market value	(2,438,948)	(1,656,926)
		<u>454,757</u>	<u>(4,396,992)</u>
6)	<u>Fixed asset investments</u>	2017	2016
		£	£
	Investments listed on recognised Stock Exchange		
	<u>Cost or valuation</u>		
	At 6 April 2016	30,968,987	49,666,416
	Additions	493,500	379,940
	Net Transfer to Current Assets	(6,268,886)	(14,680,377)
	Revaluation	(2,438,948)	(1,656,926)
	Movements on Disposals at Carrying Value	2,893,705	(2,740,066)
	At 5 April 2017	<u>25,648,358</u>	<u>30,968,987</u>

STOLLER CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017 continued

7) <u>Debtors</u>	2017	2016
	£	£
Prepayments	5,500	-
8) <u>Cash at bank and in hand</u>	2017	2016
	£	£
Cash at bank	1,368,324	183,997
9) <u>Creditors: Amounts falling due within one year</u>	2017	2016
	£	£
Contractual commitments	6,299,918	-
Accruals	65,604	35,669
	6,365,522	35,669
10) <u>Reconciliation of net movement in funds to net cash flow from operating activities</u>	2017	2016
	£	£
Net movement in funds	(10,460,655)	(19,311,988)
Investment income	(1,868,784)	(1,498,164)
Loss on revaluation of investments	2,438,948	1,656,926
Movement on sale of investments	(2,893,705)	2,740,066
(Increase) Decrease in debtors	(5,500)	-
Increase (Decrease) in creditors	6,329,853	(13,443)
Net cash used in operating activities	(6,459,843)	(16,426,603)
11) <u>Analysis of cash and cash equivalents</u>	2017	2016
	£	£
Cash at bank and in hand	1,368,324	183,997
Total cash and cash equivalents	1,368,324	183,997

STOLLER CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017 *continued*

12) **Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 6 April 2015.

Reconciliation of funds

No transitional adjustments were required.

Reconciliation of net income (expenditure) for the year

No transitional adjustments were required.

11) **Related party transactions**

During the year the charity made payments in respect of accountancy services of £15,120 (2016 : £13,500) to a partnership in which A.P.Dixon is a partner, and in respect of legal services of £18,837 (2016 : £13,773) to Kuit Steinart Levy a partnership connected to KSL Trustees Limited (a trustee).

No expenses were claimed by any of the trustees during the year.