



**Campden Charities**  
...reach for a better future

## **Annual Report**

**of**

### **the Campden Charities Trustee**

a Public Benefit Entity

Registered company number - 05093340

Registered charity number - 1104616

**&**

### **the Campden Charities**

Registered charity number - 1003641

The Directors present their report for the year ending  
31<sup>st</sup> March 2018

Registered offices:  
27a Pembridge Villas  
London W11 3EP

Telephone: 020 7243 0551

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## Structure, Governance and Management

### Directors & Trustees

#### Ex-officio Trustee

The Revd Preb G W Craig Chairman

#### Co-opted Trustees

Mr R Atkinson	
Mr D Banks	(to June 2017, re-appointed May 2018)
Mr S Berwick	Chairman: Finance & General Purposes Committee
Dr C Calman	
Dr C Davis	Chairman: Grants Committee & Vice-Chairman
Mr T Harvey-Samuel	
Mr D Hawkins	
Mr M Finney	(to January 2018)
Ms S Lockhart	
Ms A McLennon	(to June 2017)
Mr C Manners	(from April 2018)
Ms F Manthos	(from June 2017)
Ms J Mills	
Mr T Myers	
Mr R Orr-Ewing	
Ms M Rodkina	
Mr R Walker-Arnott	

### Staff

Mrs A Ala	Grants Manager
Mr R Cau	Cleaner
Ms F Farjani	Grants Officer (from February 2018)
Ms C Gill	Office Manager
Mrs L Haynes	Gateways Manager (to January 2018)
Ms N Januchta	Grants Officer
Mr S Jones	Grants Advisor (to December 2017)
Ms D Kidd	Grants Officer (from August 2017 to March 2018)
Ms N Khrushcheva	Finance Manager
Mr B Moore	Grants Officer (to May 2017)
Ms S Ong	Accounts Assistant
Mr J Samed	Senior Grants Officer
Ms V Sefton	Grants Officer
Ms A Small	Grants Officer
Mr C Stannard	Chief Executive Officer & Company Secretary

## Professional advisors & agents

### Auditors

Carter Backer Winter LLP  
66 Prescott St  
London E1 8NN

### Bankers

HSBC  
69 Pall Mall  
London SW1Y 5EY

### Asset Managers

Brewin Dolphin  
2<sup>nd</sup> Floor  
5 Callaghan Square  
Cardiff CF10 5BT

### NATWEST

9<sup>th</sup> Floor, Bishopsgate  
London EC2M 4RB

### Ruffer

80 Victoria Street  
London SW1E 5JL

### IT/IS Consultants

C S Malbrook  
Unit 7 Ancells Court  
Rye Close  
Fleet  
GU5 2UY

### Insurance Consultants

Jelf  
1<sup>st</sup> Floor  
Gail House  
5 Lower Stone Street  
Maidstone  
Kent ME15 6NB

## History

The Campden Charities was founded by endowments in the wills of Baptist Viscount Campden and Elizabeth Viscountess Dowager Campden who died in 1629 and 1643 respectively. The endowments were "... for the good and benefit of the poor of the Parish forever ..." and "... to put forth one poor boy or more to be apprentices ...". The Charities' area of benefit remains the old Parish of Kensington. The current scheme interprets the original objects in terms of providing grants for the relief of need and for the advancement of education. Grants are made directly for the benefit of individual residents of Kensington who are in financial need and to organisations that assist those individuals.

The Campden Charities Trustee (CCT) is an incorporated body of Trustees, a company limited by guarantee not having share capital (company number - 5093340), incorporated on the 5<sup>th</sup> of April 2004 and registered as a separate charity (charity number - 1104616) to act as the Trustee of the Campden Charities. Currently the CCT undertakes no activities other than to act as the Custodian and managing Trustee of the Charities.

The Trustees are directors of CCT and are appointed according to its Articles of Association. They will be referred to as Trustees throughout this report.

Trustees are selected according to their knowledge of the area of benefit, their familiarity with aspects of the Charities' work and expertise relevant to the Charities' operations. New Trustees are appointed by the existing Trustees after a three month period of attending the Charities' meetings as observers and familiarising themselves with its work. New Trustees are inducted into the procedures of the Charities and made aware of their responsibilities. Training needs are identified and suitable provision made.

A Uniting Order granted by the Charity Commissioners in a letter dated 25<sup>th</sup> January 2005 came into effect on 1<sup>st</sup> April 2005 to unite CCT and Campden Charities under the charity number of CCT. The reporting and accounts are aggregated.

At an Extraordinary General Meeting held on the 20<sup>th</sup> February 2006 the Trustees passed a resolution the effect of which was to make the Incumbent of the present Benefice of St Mary Abbots with St George and Christchurch, Kensington the sole ex-officio Trustee and to confer nominating rights on the Parish and the Royal Borough for two and three Trustee positions respectively.

The Chairman of the Charities is elected annually from the body of Trustees. This election takes place at the Annual General Meeting.

The day to day operational management of the CCT, the Campden Charities, its staff and the property portfolio is responsibility of the Clerk to the Trustees, Mr C Stannard who acts as Chief Executive Officer and Company Secretary. All policy and grant making decisions are made by the Trustees.

### **Principal objectives and activities**

The objects in the revised scheme governing the Campden Charities granted in 2004 are:

‘To relieve either generally or individually persons resident in the former Parish of Kensington and the former Royal Borough of Kensington who are in need of financial assistance by means of the payment of pensions and of grants to individuals and organisations and to advance the education and training (including vocational, social, recreational and physical) of those residents as aforesaid who are in need of financial assistance by means of grants to individuals and organisations to the intent that one half of the Charities’ income available for grant giving shall be applied to the relief of need and the other half to the advancement of education save that if in so far as income in any one year is not required for application for the advancement of education, it may be applied to the relief of need.’

The objects of The Campden Charities Trustee are:

‘To relieve either generally or individually persons resident in the former Parish of Kensington and the former Royal Borough of Kensington who are in conditions of need hardship and distress and to promote the education and training (including vocational, social, recreational and physical) of those in need of financial assistance by means of grants to individuals and organisations.’

The Trustees’ statement of purpose is: ‘The Trustees seek to respond to the needs of people living in the Old Parish of Kensington, alleviating financial poverty by giving grants and by supporting education and vocational training for those in financial need.’

### **Public benefit**

The Charities is a public benefit entity. Trustees have given due consideration to the Charity Commission’s published guidance relating to the Charities Act 2011.

Trustees seek to apply all of the Charities’ funds available for grant giving for the benefit of those residents of Kensington that are in greatest financial need. Trustees currently regard two years as the minimum qualifying period for residency in Kensington. Criteria used to identify financial need are based on the minimum income a household needs to remain above the poverty line and afford an acceptable standard of living.

There is a particular focus on advancing the education of beneficiaries to give them the skills that will enable financial independence and supporting those in low paid employment to help them progress to more sustainable employment. Strenuous efforts have been made, through publicity and by encouraging local organisations to refer potential beneficiaries, to ensure that all those that might qualify for assistance are aware of the opportunity.

Each individual is assessed and a grant level is matched to their needs. Charitable organisations are funded where their work has been demonstrated to assist individual beneficiaries to take steps towards financial independence or to support older beneficiaries in financial need.

It is the Trustees' view that their grants are more effective when accompanied by appropriate advice and guidance. Some of this guidance is provided by the Charities' own staff and some by funded organisations. For this reason the Trustees believe that the staff time provides added value to the grants awarded to beneficiaries and forms a crucial part of the fulfilment of their objectives. Consequently the Charities employs a larger staff team than is typical for a grant maker of its size.

The Trustees want to make the most cost effective use of the Charities' funds to make a lasting change to beneficiaries' lives, helping them to engage with and contribute to society.

Trustees devote significant effort and resources to attempting to measure the outcomes and efficiency of their work.

# Strategic Report

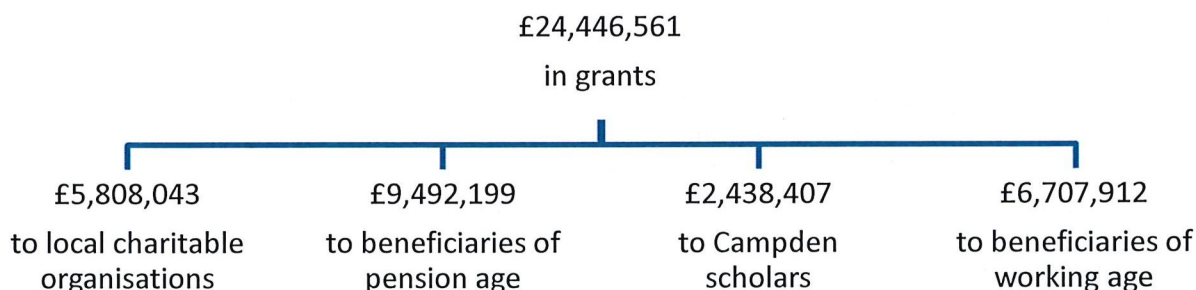
## Achievements and Performance

The current grant giving programmes have been in development since 2006 when the Trustees took a decision to identify potential beneficiary households according to objective financial hardship criteria. The initial ambition was to assist these households to become financially independent largely through providing support and funding training to help beneficiaries into employment. However it became clear that the majority of beneficiary households faced a range of barriers and that their progress was far from straightforward. These barriers included debt, limited education, age and mental and physical health issues. Trustees acknowledged that there were many beneficiaries for whom financial independence was not a realistic goal, in the short to medium term. Trustees have expanded their staff team to build relationships with beneficiaries and also partnered with local organisations such as Nucleus Legal Advice Centre and NOVA New Opportunities to address particular issues.

Initially the Trustees judged success by the number of individuals helped into employment and the per capita cost of doing so. However the majority of the Charities' work and funding related to much smaller steps in the beneficiaries' journeys. At the Trustees' seventh annual conference in 2015 they considered evaluation in terms of more modest stages of individual progress. The evaluation data for 2017/18 attached to this report is the result of an on-going exercise to accumulate information about the progress of individuals and the effectiveness of the Charities' programmes.

The Trustees have also come to appreciate that obtaining employment is not necessarily the end of the journey to financial independence. In the current economic conditions part-time work and zero hours contracts are common. Low paid jobs are often impermanent. The transition from benefits can be a painful one and many beneficiaries find they cannot sustain employment. The Trustees have therefore established a sustaining employment programme to support beneficiaries in these circumstances.

Since the introduction of the current grant giving programmes in 2006 more than £24 million has been given in grants:



In addition to this £99,459 was given during the year to the victims of the Grenfell Tower fire.

During 2017/18 a total of £2,079,929 was given in grants, an increase on the £1,811,598 that was given in 2016/17.

Twenty-seven organisations received a total of £351,630. £371,734 was given to individual beneficiaries of pension age. £291,131 was awarded as Campden Scholarships to help young people from disadvantaged backgrounds to attend university courses. £281,046 was given in support of individuals seeking work to gain skills and qualifications via Employment Routes. £357,693 was given to help those in low paid jobs to help them sustain employment. £327,236 was given to improve the circumstances of those unlikely to achieve employment in the medium term via the Gateways programme.

The number of active cases varies throughout the year but in March 2018 there was a total of 1,443 active beneficiary cases; 353 Pension Age, 453 Gateways, 259 Employment Routes, 289 Sustaining Employment and 89 Campden Scholars.

## **Risk Management**

The major risks to which the Charities are exposed are reviewed annually and compared via a risk register. In 2016 a fraud risk supplement was added and updated in 2018.

Trustees believe that there are no risk issues critical to the Charities' function that have a significant likelihood of occurrence. The Trustees have satisfied themselves that suitable systems and procedures have been established in order to manage the risks identified by the register.

Trustees have taken independent advice on their financial controls. All financial processes and grant giving procedures are codified in a Finance Manual and a Grants Manual. Trustee committee procedures, protocols and conduct are also codified.

## **Financial Review**

### Investment powers and policy

The Trustees invest the assets of the Charities after seeking relevant professional advice to provide a stable and increasing income over time for the grant giving programmes whilst at least maintaining the real value of the assets.

### Total Return Order

On the 27<sup>th</sup> March 2009 the Trustees obtained an Order from the Charity Commission permitting the expenditure of the unapplied total return on the Charities' assets. This allows greater flexibility in investment strategies and reduces the volatility of the funds available for grant giving through all market conditions.

### Review of advisors

The Trustees have agreed a cycle of review for all advisors. Auditors, commercial property agents, residential lettings managers, valuing surveyors and project managers are each reviewed every four years. Banking arrangements and solicitors are reviewed every five years. Fund managers are reviewed at least every three years. Insurance brokers are reviewed annually. The Charities' fund managers were



reviewed in 2016/17 and the Trustees decided that securities portfolios should remain with Brewin Dolphin and Ruffer. However Trustees decided that, of the funds managed by Ruffer, £15 million would be transferred into Troy Asset management's Trojan Fund and this was done in April 2017. Trustees will continue to compare a number of alternative managers to current managers.

A series of comparisons were run between alternative lettings agents, valuing surveyors and project managers during the 2017. The main portion of the residential portfolio continues to be managed by Cluttons.

An alternative bank account was opened with NatWest during the year.

### Investment performance

The Charities' investments comprise equities, fixed interest stocks and direct property holdings. At the 31<sup>st</sup> March 2018 the total endowment funds were valued at £149,817,280 compared with £151,992,322 at 31<sup>st</sup> March 2017 a decrease of 1.4%. Properties in Kensington Gate and Clanricarde Gardens were revalued during the year. The property portfolio is based in the area of benefit where sale prices fell between 6.7% and 7.8% in the calendar year 2017 and this revaluation confirmed the continued general fall in values in the property market. However the limited sales evidence in particular pockets of the area, such as Kensington Gate, suggest a less severe reduction. The revaluations represented a reduction in book value of between 5% and 5.4%. Trustees believed that these valuations implied, when compared to the dates of previous valuations in the rolling programme of valuations, that there was little significant change in the current overall value of the property portfolio. Receipts from lease extensions negotiated during the year are treated as reductions in freehold values and hence did not contribute to an improvement in asset value.

The main sources of income were dividends and rental income. The total income for 2017/18 totalled £3,823,766 as compared to £3,654,368 in 2016/17, an increase of 4.6%. Once again there was an increase in rental income during the year resulting from there being no voids in the property portfolio and there was also an increase in investment income.

The year's results show net inflow of £290,753 as compared to the previous year's net inflow of £262,871. The revenue reserve carried forward at 31<sup>st</sup> March 2018 was £686,321, an increase of over 73% on the reserve in 2017.

2017/18 saw a decrease in the market valuation of the Charities' main securities portfolios from £59,580,863 at the close of March 2017 to £59,282,887 in March 2018, a reduction of 0.5%. This decrease was a result of market volatility early in 2018.

Once again a slow improvement is anticipated in the real capital value of the Charities' securities portfolios over the longer term but this is likely to be punctuated by continued volatility. Yields are expected to remain low in 2018/19 as interest rates and inflation continue restrained growth.

The majority of the Charities' property portfolio comprises residential properties within the area of benefit. A significant portion of capital is held in freeholds that produce little income. However these properties occasionally release capital through

enfranchisement and lease extension. It is the Trustees' current policy to re-invest these funds by buying back leases on the originally endowed estates and letting these properties to produce income. In 2017 Trustees considered reducing the exposure to large family houses in favour of smaller units. However Trustees concluded that current market conditions were not favourable.

In addition the Charities holds a number of commercial properties. Over recent years such properties outside the area of benefit have been sold when market conditions were advantageous. The Trustees have largely consolidated the portfolio within the area of benefit. The last remaining property outside the area of benefit was sold in 2016.

It is the Trustees' view that the property portfolio diversifies risk and allows a more flexible approach to securities investment.

The securities fund maintained for property purchase decreased from £5,537,077 to £5,312,233. This will be increased in the coming year by funds realised from statutory lease extensions. Trustees are seeking a suitable property investment for these funds whilst valuations remain low and securities portfolios fully valued.

It is the Trustees' policy to re-value the property portfolio in segments over rolling five year periods. Trustees do not consider it to be cost effective to revalue annually at the balance sheet date because of the high cost of valuations. The valuation undertaken this year implies that there would be no material change in the book values of the portfolio as a whole.

#### Total Return and Revenue Reserve

The Trustees agreed a combined Total Return and Revenue Reserve policy on the 23<sup>rd</sup> November 2010.

Each year a budget is set for the following year based on an expenditure of no more than 3% of the previous year's closing capital value, projecting an initial outturn for the total transferred to the revenue reserve being the difference between projected income and spending, which may be positive or negative. The final outturn revenue reserve in the budget after the transfer is to be maintained at a minimum of 10% of budgeted expenditure to facilitate cash flow. The budget will project a draw down from capital as required to meet this cash flow requirement.

In years where capital is required to balance the budget it will be drawn from the most efficient source at the time. That is, if liquid funds have accrued from the property portfolio these will be used, otherwise funds will be drawn from securities portfolios in inverse proportion to the income produced by each portfolio.

The budget and revenue reserve value is reviewed at the 6 month point in the cycle.

No cash reserve is to be held as a matter of policy. Liquid funds are held by fund managers that are sufficient to cover cash flow. Any cash received from property transactions is treated as part of the asset base and utilised in the most effective manner.

The asset value, the distribution of assets and revenue reserve are reviewed annually as a five year rolling cycle to ensure that they keep pace with inflation. The

3% spending base and the distribution of assets between property and securities may be adjusted accordingly.

The revenue reserve at year end was £686,321, 17.7% of the £3,876,088 budget set for 2018/19; therefore no funds will be required to be transferred from capital to maintain a 10% reserve to facilitate cash flow. The rolling budget projects that there will be a revenue reserve of £237,395 at the close of 2018/19, requiring only a modest draw down of £150,214 to establish a reserve for the following year.

#### Trustees and their professional advisors and agents

Trustees of the Finance and General Purposes Committee meet at least six times a year and review and monitor the actions and performance of their agents. Trustees engage and instruct their professional advisors and agents according to agreed policy through their Clerk.

Trustees prepared the following policy statement to guide their securities managers:

#### *Statement of investment aims – Brewin Dolphin*

Brewin Dolphin's main fund represents less than 25% of the Charities' total assets and the Trustees consider its risk profile in the context of their overall investment strategy. The objective of the fund is total return with emphasis on capital growth. There is no income target nor are there benchmark ranges. There is to be an equity and growth bias and hence there is toleration for a higher risk than would be expected from a balanced charity mandate. The performance of the fund is assessed in terms of the FT AllShare, the FT World and the FT Government All Stocks Indices and LIBOR.

The intention of the Trustees in providing a total return mandate with no income target or benchmark ranges is to allow greater flexibility in the management of the portfolio in terms of the asset allocation.

The Property Fund is to allow for the cash movements required for the property portfolio. This fund can vary in size considerably due to purchases and sales. When the fund is less than £2.5m, there should be a buffer of at least £500,000 in cash/fixed interest stock. When the fund value is in excess of this, the fund should be managed to a more conventional income and growth, diversified risk mandate. The fund has a target of a total return of 6.0% per annum over the long term. The fund is a long term fund and accordingly, while important, volatility is not paramount. Inflation is the primary risk to the fund because the intention is to maintain the real value. The Fund's benchmark is the APCIMS Balanced Index.

#### *Statement of investment aims - Ruffer*

The objectives of the fund are to preserve capital on a twelve month rolling basis and to produce consistent positive returns significantly greater than cash. The fund is multi-asset comprising global equity, bonds and currency. The fund is unbenchmarked.

## *Troy Asset management*

The allocation to Troy Asset Management's Trojan Fund is held directly and hence is invested according to the fund's published objectives: to achieve growth in capital and income in real terms over the longer term. The policy of the fund is to invest substantially in UK and overseas equities and fixed interest securities but it may also invest in collective investment schemes and money market instruments.

### Ethical statement

The Trustees review their investments regularly to ensure that they do not hold assets that are in conflict with the Charities' objects. The Trustees invest in assets that will achieve acceptable performance in accordance with the investment aims to provide for the needs of current and future beneficiaries. The Trustees cannot use their investment powers to make moral statements at the expense of the performance of the assets of the Charities.

### The following targets were agreed by Trustees for 2017/18

- Arrange portfolio of alternative funds according to Trustees' review
- Draft vulnerable persons policy
- Implement new fraud prevention controls
- Improve Gateways beneficiaries' engagement with education
- Introducing end of life planning to beneficiaries
- Draft a Gifts user manual
- Develop peer publicity

### **Significant activities and events during the year**

- The Charities' response to the Grenfell tragedy.
- End of life seminars held with follow up provision for end of life planning.
- Fraud prevention controls drafted, approved and implemented.
- Refurbishment of 54a Broadwalk House completed.
- Property portfolio fully let.
- New evaluation model has been developed further.
- Alternative criteria for Campden Scholars developed and presented to Trustees. Trustees removed the employment prospects criterion.
- A number of alternative fund managers, funds and investment strategies were presented to Trustees; £15 million was transferred to Troy Asset Management.
- A Gifts user manual and data storage protocols are being drafted compatible with the new GDPR regulations.
- A launch date and venue has been agreed for new publicity.
- A safeguarding policy has been drafted and approved.

### Plans for the coming year

The following objectives for 2018/19 have been agreed by Trustees:

- Hold publicity event with associated printed material
- Review grant giving programmes in the light of learnings from the past few years.
- Review auditors

- Seek suitable property investment
- The current Chairman to develop a succession plan and to address any governance issues arising from that.
- Implement new GDPR policies
- Review staffing structure

The Trustees are pleased that the grant giving programmes continue to make progress in understanding and addressing poverty within the area of benefit. They are confident that their financial planning will continue to make sufficient funds available to develop these programmes.

### **Remuneration**

The CEO's performance is reviewed annually against agreed targets by the Chairman of the Finance and General Purposes Committee. He reports to the Committee which determines the CEO's remuneration accordingly.

Staff salaries are benchmarked periodically, the most recent exercise having been conducted in 2015. The Finance and General Purposes Committee determines an appropriate inflation increase in staff salary scales annually. The performance of senior staff is reviewed by the CEO; the performance of junior staff is reviewed by respective managers.

## **Trustees' Report**

### Grenfell

The Grenfell tower fire was the most tragic event in Kensington's history. The Charities has supported organisations and individuals in area for many years. There were beneficiaries of the Charities amongst the residents of the tower, several of whom lost their lives. In the immediate aftermath, Trustees were able to identify funds to respond to the needs of those affected by the fire, making contact with the victims and providing over £96,000 in vouchers for food and clothing; a significant demonstration of the Charities' flexibility and resources.

Responding to the Grenfell tower tragedy was also demanding on staff time and more importantly on emotional resources. It placed a significant additional burden on the team who responded, and continue to respond, admirably. The Grants Officers have now established contact with a number of households from the tower and the surrounding area. For those that remain, or are returned to the area, there will be ongoing support, for however long it is needed.

There has been a radical change in how the community regards itself. Grenfell has emphasised the division of wealth and opportunity in the area of benefit that has persisted since the early years of the Charities; a division that is the source of both the Charities' mission and its resources. However the community response in the aftermath has highlighted and enhanced local solidarity, including the significance of charity contributions. The repercussions of the Grenfell tragedy are likely to continue for years to come. The Charities will be able to provide long term support should the funds donated in immediate response to the tragedy be exhausted.

### Evaluation

Trustees feel that identifying the progressive steps that beneficiaries make is the best representational measure of the effectiveness of the Charities' funding. This evaluation model, started in 2016 is being built upon as cumulative data accrues.

### Staff

There have been a number of changes within the staff team over the year. Leah Haynes, Ben Moore, Denise Kidd and Simon Jones left the grants team and Fedwa Farjani joined.

### Trustees

Frances Manthos was appointed as a Trustee on the 27<sup>th</sup> June 2017.

Angela McLennon resigned as a Trustee on the 27<sup>th</sup> of June 2017.

David Banks resigned on the 27<sup>th</sup> June 2017 after 28 years as a Trustee.

Michael Finney resigned as a Trustee on the 23<sup>rd</sup> January 2018.

## **Approach to grant making**

The Trustees' objective in making grants is to help financially disadvantaged individuals and families towards financial independence, to make a lasting,

sustainable change to their lives, helping them to engage with and contribute to society. They seek to do this by identifying the needs of individuals and tailoring packages of support to help them overcome the obstacles they face in improving their circumstances. This help is not restricted to a single payment, Trustees want to continue to help people until their circumstances change; this may mean making a number of grants, sometimes over a period of years.

The Trustees make incentive payments to non-statutory not for profit organisations that refer and support individuals. After twelve months of receiving such referrals Trustees may enter into partnership arrangements to fund work delivered by these organisations to enhance the support offered to individuals. The Trustees do not accept unsolicited applications from organisations.

The Trustees are guided in their grant giving by two fundamental principles:

i) Independence

Grants will not be made to support statutory services; neither are the Trustees party to local or central Government initiatives or political priorities. The Trustees value their position as an independent local grant maker.

ii) Fairness

Trustees seek to make the application process fair to all potential beneficiaries. All grant applications are made and considered in the same manner. There are no privileged applicants and individual Trustees are required to declare an interest where appropriate.

### **Distribution of grants**

The scheme governing the Charities (see page 5 above) directs the Trustees to apply one half of the Charities' income to the relief of need and the other half to the advancement of education save that if in so far as income in any one year is not required for application for the advancement of education, it may be applied to the relief of need.

The young people whom the Trustees wish to assist with educational support are those from impoverished backgrounds. Often those young people in greatest need have at some stage become disenfranchised from formal education and they find it difficult to re-engage without extensive professional advice and support. Independent applications made by these young people to the Charities are often inappropriate or ill advised. Whilst it is relatively straightforward to make substantial grants to academically able scholars, it is more challenging to provide appropriate financial support directly to those individuals who may need it most.

Similarly adults who have experienced long periods of unemployment often become demoralised; occasionally they find themselves in a 'benefits trap' where they would be financially worse off in low paid employment. Lone parents often cannot finance childcare that would enable them to train. Many of the poorest people have also accumulated significant debt. In recognition of these and many other issues, the Trustees employ an unusually large Grants Officer team so that instead of funding individuals at arm's length, Grants Officers can build up a relationship with families in

need and work with them to tailor individual packages of assistance. Grants Officers also actively seek ways to work with other not-for-profit partners to support the Charities' beneficiaries.

The Trustees believe that the resources of the Charities' are well deployed not only in making grants but also in funding a team of Grants Officers that can offer advice services and bring 'added value' to the grants made.

### **Direct Grants to individuals**

Grants are made in response to direct applications from individuals responding to the Charities' publicity and referrals are also welcomed and encouraged from all not for profit organisations and statutory agencies.

### **Grants to Organisations**

The aim of funding not for profit organisations has been to assist those organisations that are supporting individuals receiving direct grants. The focus is on outcomes for individual beneficiaries rather than responding to organisation requests.

Organisations operating within the area of benefit are funded where their work directly supports the work of the Charities with beneficiaries. The funding of organisations is considered in two ways, partnerships and referral funding.

In 2017/18 partner organisations were funded to provide debt and money management advice, help in recovery from substance abuse, employment advice and counselling as well as direct training. Grants Officers negotiated and renewed individual partnership agreements to support and train individuals with seven organisations, £314,630 was awarded in this way. These organisations provided direct assistance with the plans developed by Grants Officers for each individual.

Referral funding is intended to help organisations working in a more general way with individual beneficiaries but still within the Charities' objects. Referral funding may lead to future partnership funding. Any not for profit organisation working within the Charities' broader objects receives funding for each successful referral of an individual to any of the Charities' grants programmes; £37,000 was awarded for such referrals during the year.



**PARTNERSHIP FUNDING**

NAME OF ORGANISATION	GRANT
	£
BLenheim CDP	30,000
NOVA	84,000
NUCLEUS LEGAL ADVICE CENTRE	73,630
OPEN AGE PROJECT	9,000
VOLUNTEER CENTRE	80,000
WESTWAY COMMUNITY TRANSPORT	32,000
CLEMENT JAMES CENTRE	6,000
<b>TOTAL</b>	<b>314,630</b>

**REFERRALS**

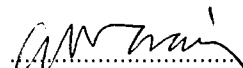
NAME OF ORGANISATION	GRANT
	£
AGE UK KENSINGTON & CHELSEA	1,000
CHAPTER 1	1,000
DADS HOUSE	1,000
ETHEOPIAN WOMEN'S EMPOWERMENT GROUP	1,000
EVOLVE HOUSING AND SUPPORT	1,000
FAMILY MOSAIC	1,000
HESTIA HOUSING	1,000
HODON SOMALI COMMUNITY	1,000
KENSINGTON & CHELSEA CAB	4,000
AL-HASANIYA MOROCCAN WOMEN'S PROJECT	1,000
FIELD LANE FOUNDATION	1,000
LOOK AHEAD HOUSING & CARE	1,000
PORTOBELLO DANCE SCHOOL	5,000
PROSPECTS KENSINGTON	5,000
NHS FOUNDATION TRUST	5,000
RICHMOND FELLOWSHIP	1,000
RUGBY PORTOBELLO TRUST	2,000
SOLIDARITY SPORT	1,000
ST MUNGO'S HOUSING ASSOCIATION	1,000
TURNING POINT	1,000
WESTWAY COMMUNITY TRANSPORT	1,000
<b>TOTAL</b>	<b>37,000</b>

## Evaluation of working age grant giving 2015 – 2018

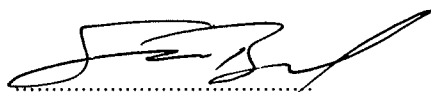
	2015/16	2016/17	2017/2018	Total
<b>Individuals who met basic criteria</b>	446	454	555	1,455
<b>Initial home visits</b>	313	308	348	969
<b>Other home visits – goods, reassessments or relocation</b>	275	431	337	1,043
<b>Grants awarded</b>	396	576	536	1,508
<b>New applicants awarded a grant :</b>	254	299	328	881
<b>* Sustaining Employment</b>	83	76	69	228
<b>* Employment Routes</b>	70	97	91	258
<b>* Campden Scholarship</b>	23	32	33	88
<b>* Gateways – unable to work</b>	73	81	114	268
<b>* Gateways – preparing to work</b>	5	13	21	39
<b>Individuals supported into training /study</b>	155	121	99	375
<b>Individuals completing training /study</b>	55	49	54	158
<b>Individuals supported into voluntary work</b>	23	23	12	58
<b>New Scholars</b>	40	42	40	122
<b>Continuing Scholars</b>	28	25	54	107
<b>Scholars that graduated</b>	20	21	16	57
<b>Actively looking for work</b>	186	128	103	417
<b>Gained employment</b>	83	48	46	177
<b>Individuals that progressed within the programme</b>	56	41	46	143
<b>Individuals that achieved sustainable employment</b>	6	10	9	25
<b>Individuals that progressed within the programme</b>	149	94	44	287
<b>Individuals receiving support that were displaced by the fire</b>	-	-	181	181
<b>Grants approved</b>	2,074	1,900	2,341	6,315
<b>Individuals receiving a grant</b>	1,270	1,191	1,406	3,867
<b>Total amount</b>	£1,508,346	£1,456,078	£1,728,300	£4,692,724

The Trustees' report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Strategic report and Trustees' report was approved by the Board on 26 June 2018 and signed on its behalf by:



The Reverend G W Craig – Chairman



Mr Samuel Berwick – Chairman, Finance and General Purposes Committee

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of The Campden Charities Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the Financial Reporting Standard (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMPDEN CHARITIES TRUSTEE**

### **Opinion**

We have audited the financial statements of The Campden Charities Trustee (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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 Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMPDEN CHARITIES TRUSTEE**

.....continued

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

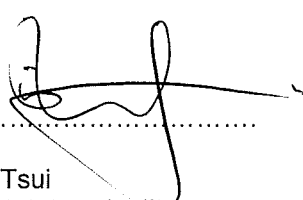
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of the Report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Carter Backer Winter LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

  
.....  
Edward Tsui  
Senior Statutory Auditor

for and on behalf of:  
Carter Backer Winter LLP, Statutory Auditor  
66 Prescott Street  
London  
E1 8NN

..... 5/2/ 2018

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT  
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) FOR THE YEAR ENDED 31  
MARCH 2018**

	Note	Unrestricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>	<b>2</b>				
Donations and legacies	<b>3</b>	100	-	100	-
Charitable activities	<b>4</b>	40,276	-	40,276	50,341
Investments	<b>5</b>	-	3,756,602	3,756,602	3,584,541
Other	<b>6</b>	26,788	-	26,788	19,486
Total income and endowments		67,164	3,756,602	3,823,766	3,654,368
<b>Expenditure on:</b>					
Raising funds					
Investment management costs	<b>7</b>	-	699,533	699,533	833,395
Charitable activities	<b>8</b>	2,601,186	-	2,601,186	2,321,329
Other costs	<b>9</b>	232,294	-	232,294	236,773
Total resources expended		2,833,480	699,533	3,533,013	3,391,497
Net income/(expenditure) before other recognised gains and losses		(2,766,316)	3,057,069	290,753	262,871
Net gains/(losses) on investments	<b>13</b>	-	(2,175,042)	(2,175,042)	7,714,261
<b>Net income/(expenditure)</b>		(2,766,316)	882,027	(1,884,289)	7,977,132
<b>Transfer between funds</b>	<b>15</b>	3,057,069	(3,057,069)	-	-
<b>Net movement in funds</b>		290,753	(2,175,042)	(1,884,289)	7,977,132
<b>Reconciliation of funds:</b>					
Total funds brought forward		395,568	151,992,322	152,387,890	144,410,758
<b>Total funds carried forward</b>		686,321	149,817,280	150,503,601	152,387,890

All incoming resources and resources expended derive from continuing activities.  
The charity has no recognised gains or losses for the year other than the results above.

The notes on pages 27 to 41 form an integral part of these financial statements.

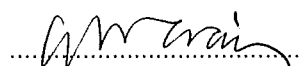


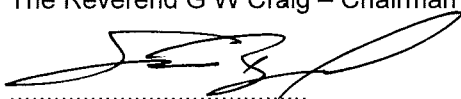
# **BALANCE SHEET AS AT 31 MARCH 2018**

		2018		2017	
	Note	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	16		1,473,737		1,476,106
Investments	17		147,694,547		147,925,295
<i>Total fixed assets</i>			<u>149,168,284</u>		<u>149,401,401</u>
<b>Current assets:</b>					
Debtors	18	376,632		241,058	
Investments	19	1,947,843		3,711,152	
Cash at bank and in hand		38,368		81,985	
<i>Total current assets</i>		<u>2,362,843</u>		<u>4,034,195</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	20	(943,881)		(948,542)	
<i>Net current assets</i>			<u>1,418,962</u>		<u>3,085,653</u>
<i>Total assets less current liabilities</i>			<u>150,587,246</u>		<u>152,487,054</u>
Creditors: Amounts falling due after more than one year	21		(83,645)		(99,164)
<b>Total net assets</b>			<u>150,503,601</u>		<u>152,387,890</u>
<b>The funds of the charity:</b>					
Endowment funds			149,817,280		151,992,322
Unrestricted funds	25		686,321		395,568
<b>Total charity funds</b>			<u>150,503,601</u>		<u>152,387,890</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies.

Approved by the Board on 26 June 2018 and signed on its behalf by:

  
The Reverend G W Craig – Chairman

  
Mr Samuel Berwick – Chairman, Finance and General Purposes Committee

The notes on pages 27 to 41 form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
<b>Cash flows from operating activities:</b>		
<i>Net cash used in operating activities</i>	(3,574,302)	(3,058,962)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	3,245,826	3,553,163
Purchase of property, plant and equipment	(1,315)	(1,381)
Proceeds from sale of investments	25,549,068	22,345,208
Purchase of investments	(27,026,203)	(23,932,584)
<i>Net cash provided by investing activities</i>	1,767,376	1,964,406
<b>Cash flows from financing activities:</b>		
<i>Net cash provided by (used in) financing activities</i>	-	-
<i>Change in cash equivalents in the period</i>	(1,806,926)	(1,094,556)
<i>Cash and cash equivalents at 1 April 2017</i>	3,793,137	4,887,693
<i>Cash and cash equivalents at 31 March 2018</i>	1,986,211	3,793,137
<b>Reconciliation of cash flows from operating activities</b>		
<i>Net income/(expenditure) for the year</i>	(1,884,289)	7,977,132
<b>Adjust for:</b>		
Depreciation charges	3,645	7,412
(Gains)/losses on investments	2,175,042	(7,714,261)
Dividends, interest and rents from investments	(3,756,602)	(3,584,541)
Loss/(profit) on sale of fixed assets	39	-
(Increase)/decrease in debtors	(91,957)	221,692
Increase/(decrease) in creditors	(20,180)	33,604
<i>Net cash used in operating activities</i>	(3,574,302)	(3,058,962)
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	38,368	81,985
Overdrafts	-	-
Cash equivalents on deposits	1,947,843	3,711,152
<b>Total cash and cash equivalents</b>	1,986,211	3,793,137

The notes on pages 27 to 41 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SOPR (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Campden Charities Trustee meets the definition of a public benefit entity under FRS 102, is incorporated in England and Wales and has no share capital. The address of the registered office is 27A Pembridge Villas, London, W11 3EP. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The first financial statements of The Campden Charities Trustee prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland were for the year ended 31 March 2016.

#### Going concern

The Trustees consider that there are no material uncertainties about the Charities' ability to continue as a going concern.

#### Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the charity.

Funds designated as restricted in the financial statements represent the Charities' permanent unexpendable endowment to be retained for investment. The Trustees have the discretion to transfer these funds between suitable asset classes. However, until March 2009 the trustees had no power to convert this capital into income.

On 27 March 2009 the Charity Commission made an Order giving the charity the power to apply the unapplied total return on its assets for charitable purposes. This policy was implemented on 1 April 2009.

Further details of each fund are disclosed in note 24.

#### Incoming resources

Investment income is recognised on a receivable basis.

#### Resources expended

Liabilities are recognised 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.

Costs of generating funds are investment management fees.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

In dealing with the income of the year, the Trustees are governed by a Scheme of the Charity Commissioners dated 22 July 2004.

The annual net income for the year is divided equally in the first instance between Pensions and Relief in Need and Advancement of Education.

The income of each moiety may then be applied to meet expenditure as specified by the Scheme. If, in any year the income of Advancement of Education is not fully spent, the Trustees may apply the unspent portion for Pensions and Relief in Need.

Grants payable are payments made to third parties in the furtherance of the charitable objectives.

The Trustees delegate the consideration of grant applications to the Grants Committee.

The Board scrutinise all grant recommendations from the Committee. Grants are recognised in full in the Statement of Financial Activities when a recommendation for a grant is ratified.

### **Governance and Support costs**

Staff costs and general expenses are split between Support and Governance costs on the basis of the percentage of time devoted by each employee to each of these activities.

Support costs are allocated further on the basis of working time between Relief in Need and Advancement of Education.

Governance costs include costs of the preparation and examination of the statutory accounts and the cost of any legal advice to trustees on governance or constitutional matters. Governance costs are split between Relief of Need and Advancement of Education, which for both 2016 and 2017 is 50% Relief of Need and 50% Advancement of Education.

### **Commitments**

Campden scholarships are awarded on the presumption that they will be continued until the end of the course provided the student continues to meet the criteria. This commitment is funded from future income.

### **Tangible fixed assets and depreciation**

Leasehold land and buildings in use by the Charities are included in the balance sheet at the revalued figures provided by Messrs Cluttons in December 2005. The trustees have decided not to depreciate these assets in view of the fact that the assets concerned are to be included in the accounts at market value.

Office and computer equipment with a cost of £500 or more are capitalised and depreciated on a straight-line basis of 20% per annum and 33 1/3% per annum respectively. Certain items below this amount may be capitalised at the discretion of the trustees.

### **Investments**

Fixed asset investments comprise of investment properties and listed investments.

Investment properties – Investment properties are included in the balance sheet at valuation, established by professional valuers. The charities' policy is to revalue its entire property portfolio over a five year period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

Listed investments – Listed investments are stated at mid-market value at the balance sheet date. Overseas investments are translated into sterling at the rates ruling at the year end.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

### **Pensions**

The charity contributes to a multi-employer pension scheme or, alternatively, contributes to the employees' own private pension arrangements. These contributions are charged to the Statement of Financial Activities when paid.

### **Other**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The significant area in which estimation has been applied is considered to be in determining the value of investments. Where possible and appropriate, professional valuations have been obtained from qualified individuals, therefore although these areas are subject to judgement, the trustees consider the values to be appropriate.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 2 Statement of Financial Activities (including income and expenditure account and statement of total recognised gains and losses) for the year ended 31 March 2017

	Unrestricted Funds £	Endowment Funds £	Total 2017 £
<b>Income and endowments from:</b>			
Donations and legacies	-	-	-
Charitable activities	50,341	-	50,341
Investments	-	3,584,541	3,584,541
Other	19,486	-	19,486
Total income and endowments	69,827	3,584,541	3,654,368
<b>Expenditure on:</b>			
Raising funds			
Investment management costs	-	833,395	833,395
Charitable activities	2,321,329	-	2,321,329
Other costs	236,773	-	236,773
Total resources expended	2,558,102	833,395	3,391,497
Net income/(expenditure) before other recognised gains and losses	(2,488,275)	2,751,146	262,871
Net gains/(losses) on investments	-	7,714,261	7,714,261
<b>Net income/(expenditure)</b>	<b>(2,488,275)</b>	<b>10,465,407</b>	<b>7,977,132</b>
<b>Transfer between funds</b>	<b>2,751,146</b>	<b>(2,751,146)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>262,871</b>	<b>7,714,261</b>	<b>7,977,132</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	132,697	144,278,061	144,410,758
<b>Total funds carried forward</b>	<b>395,568</b>	<b>151,992,322</b>	<b>152,387,890</b>

## 3 Income from donations and legacies

	Unrestricted Funds £	Endowment Funds £	Total Funds 2018 £	Total Funds 2017 £
Legacies	100	-	100	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 4 Income from charitable activities

	Unrestricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
<b>Relief of Need</b>				
Returned grants	40,276	-	40,276	50,341

## 5 Investment income

	Unrestricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Income from investment properties	-	2,505,713	2,505,713	2,495,564
Income from listed investments	-	1,216,234	1,216,234	1,026,066
Interest income	-	34,655	34,655	62,911
	-	3,756,602	3,756,602	3,584,541

## 6 Other income

	Unrestricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Charity discounts	23,042	-	23,042	10,015
Insurance and other claims	3,746	-	3,746	9,471
	26,788	-	26,788	19,486

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 7 Investment management costs

	Unrestricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Property management fees	-	146,310	146,310	143,758
Legal fees	-	962	962	6,653
Irrecoverable VAT	-	44,505	44,505	47,272
Property management expenditure	-	231,586	231,586	229,388
Refurbishment of properties	-	-	-	-
Investment management administration costs	-	276,170	276,170	406,324
	<u>-</u>	<u>699,533</u>	<u>699,533</u>	<u>833,395</u>

## 8 Details of charitable activities

	Grant funding of activities £	Direct Services allocated £	Support costs allocated £	Total 2018 £	Total 2017 £
Relief of Need	1,474,535	151,158	109,471	1,735,164	1,551,290
Advancement of Education	605,394	151,157	109,471	866,022	770,039
	<u>2,079,929</u>	<u>302,315</u>	<u>218,942</u>	<u>2,601,186</u>	<u>2,321,329</u>

### Direct Services costs

	Relief of Need £	Advancement of Education £	Total £
Employment costs	<u>151,158</u>	<u>151,157</u>	<u>302,315</u>

### Support costs

	Relief of Need £	Advancement of Education £	Total £
Employment costs	85,783	85,783	171,566
Office expenses	22,777	22,777	45,554
Depreciation of tangible fixed assets	911	911	1,822
	<u>109,471</u>	<u>109,471</u>	<u>218,942</u>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

Grant making	Grants to institutions £	Grants to individuals £
Relief of Need	319,630	1,154,905
Advancement of Education	32,000	573,394
	<u>351,630</u>	<u>1,728,299</u>

Details of grants awarded in respect of each organisation during the year are disclosed in the Charities' Annual Report.

## 9 Other expenditure

	Unrestricted Funds £	Endowment funds £	Total funds 2018 £	Total funds 2017 £
<b>Governance costs:</b>				
Employment costs	157,906	-	157,906	163,774
Establishment costs	17,619	-	17,619	21,521
Office expenses	34,383	-	34,383	29,396
Irrecoverable VAT	11,495	-	11,495	10,356
Trustee expenses	529	-	529	270
Auditors' remuneration	8,500	-	8,500	7,750
Legal and professional costs	-	-	-	-
Depreciation of tangible fixed assets	1,823	-	1,823	3,706
	<u>232,255</u>	<u>-</u>	<u>232,255</u>	<u>236,773</u>
<b>Loss on disposals of fixed assets</b>	39	-	39	-
	<u>232,294</u>	<u>-</u>	<u>232,294</u>	<u>236,773</u>

## 10 Trustee's remuneration and expenses

The trustees received no remuneration during the year. Three Trustees were reimbursed for expenses incurred during the year (2017 - Two Trustees).

	2018 £	2017 £
Travel expenses	22	20
Other expenses on behalf of the Charities	507	250
	<u>529</u>	<u>270</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 11 Net expenditure

Net expenditure is stated after charging:

	2018	2017
	£	£
Auditors' remuneration - audit services	8,500	7,750
Depreciation of owned assets	<u>3,645</u>	<u>7,412</u>

## 12 Employees' remuneration

The average head count of persons employed by the charity during the year, analysed by category, was as follows:

	2018	2017
	No.	No.
Grant making and advice to beneficiaries	10	9
Management and administration of the charity	<u>4</u>	<u>4</u>
	<u>14</u>	<u>13</u>

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£	£
Wages and salaries	520,011	503,221
Social security	48,223	54,954
Other pension costs	<u>63,553</u>	<u>69,126</u>
	<u>631,787</u>	<u>627,301</u>

No employee other than the key management personnel received employee benefits (excluding employer pension costs) of more than £60,000.

### Key management personnel

During the year, the number of senior employees who received emoluments falling within the following ranges was:

	2018	2017
	No.	No.
£130,000 - £140,000	<u>1</u>	<u>1</u>

During the year, defined contribution pension contributions on behalf of these staff amounted to £19,796 (2017 - £20,279).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 13 Gains/(losses) on investments

	Unrestricted Funds £	Endowment funds £	Total funds 2018 £	Total funds 2017 £
Gains/(losses) on disposal of investment properties	-	-	-	159,225
Gains/(losses) on disposal of investments	-	469,148	469,148	1,664,494
Gains/(losses) on revaluation of investments	-	(1,430,598)	(1,430,598)	7,308,325
Gains/(losses) on revaluation of investment properties	-	(1,213,592)	(1,213,592)	(1,417,783)
	<u>-</u>	<u>(2,175,042)</u>	<u>(2,175,042)</u>	<u>7,714,261</u>

## 14 Taxation

The company is a registered charity and is, therefore, exempt from Corporation Tax.

## 15 Transfer between funds

	Unrestricted Funds £	Endowment funds £
Allocation of the unapplied total return	<u>3,057,069</u>	<u>(3,057,069)</u>

## 16 Tangible fixed assets

	Long leasehold and other interests in land and buildings £	Plant and machinery including motor vehicles £	Total £
<b>Cost or valuation:</b>			
As at 1 April 2017	1,469,976	105,076	1,575,052
Additions	-	1,315	1,315
Disposals	-	(4,180)	(4,180)
As at 31 March 2018	<u>1,469,976</u>	<u>102,211</u>	<u>1,572,187</u>
<b>Depreciation:</b>			
As at 1 April 2017	-	98,946	98,946
On disposals	-	(4,141)	(4,141)
Charge for the year	-	3,645	3,645
As at 31 March 2018	<u>-</u>	<u>98,450</u>	<u>98,450</u>
<b>Net book values:</b>			
As at 31 March 2018	<u>1,469,976</u>	<u>3,761</u>	<u>1,473,737</u>
As at 31 March 2017	<u>1,469,976</u>	<u>6,130</u>	<u>1,476,106</u>

The historical cost of leasehold properties held, as at 31 March 2018 is £1,283,547 (2017: £1,283,547).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 17 Investments held as fixed assets

	Investment properties £	Listed investments £	Total £
<b>Market value:</b>			
As at 1 April 2017	86,152,077	61,773,218	147,925,295
Revaluation	(1,213,592)	(1,430,597)	(2,644,189)
Additions	353,954	32,749,321	33,103,275
Disposals	(509,900)	(30,179,934)	(30,689,834)
As at 31 March 2018	<u>84,782,539</u>	<u>62,912,008</u>	<u>147,694,547</u>
<b>Net book value</b>			
As at 31 March 2018	<u>84,782,539</u>	<u>62,912,008</u>	<u>147,694,547</u>
As at 31 March 2017	<u>86,152,077</u>	<u>61,773,218</u>	<u>147,925,295</u>

Four residential investment properties were revalued during the year by independent chartered surveyor Cluttons LLP. Based on historical experience and other factors such as economy and local housing market conditions Trustees believe that there were no material changes in fair values of the remaining investment properties.

The historical cost of listed investments held as at 31 March 2018 is £53,168,438 (2017: £47,584,106).

Of the total value of listed investments, £31,077,317 (2017: £29,249,755) represents overseas investments and £31,834,691 (2017: £32,523,463) represents UK investments.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

The investment fund and application of total return to the endowed funds is summarised below:

### Movements in the Total Return Fund for the year:

	2018	2017
	£	£
Opening value of permanent endowment	151,992,322	144,278,061
Less: amount maintained in permanent endowment fund	(25,028,740)	(25,028,740)
Unapplied total return as at 1 April 2017	126,963,582	119,249,321
Investment return – net income/(expenditure)	882,027	10,465,407
Allocation of unapplied return	(3,057,069)	(2,751,146)
Unapplied total return as at 31 March 2018	124,788,540	126,963,582
Add : amount maintained in permanent endowment fund	25,028,740	25,028,740
Permanent endowment fund including unapplied total return as at 31st March 2018	149,817,280	151,992,322

### Statement of Unapplied Total Return since March 2009

	£	£
Unapplied total return brought forward	82,662,092	74,947,831
Total return for the year	882,027	10,465,407
Less: total return applied for the year	(3,057,069)	(2,751,146)
Unapplied total return as at 31 March 2018	80,487,050	82,662,092

### 18 Debtors

	2018	2017
	£	£
Other debtors	304,919	156,924
Prepayments and accrued income	71,713	84,134
	376,632	241,058

### 19 Current assets investments

	2018	2017
	£	£
Cash equivalents on deposits	1,947,843	3,711,152

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

### 20 Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	-	-
Other creditors	480,654	460,242
Accruals and deferred income	463,227	488,300
	<u>943,881</u>	<u>948,542</u>

### 21 Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Multi-employer pension scheme deficit charges	<u>83,645</u>	<u>99,164</u>

The charity contributes to a multi-employer pension scheme where it is not possible to identify separately the assets and liabilities of the participating employers on a consistent and reasonable basis. The present values of the multi-employer pension scheme deficit charges are provided by the Pensions Trust using discount rates which would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The rate of discount was 1.71% (2017 – 1.32%).

### 22 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

### 23 Related parties - Controlling entity

The charity is controlled by the trustees. There have been no related party transactions in the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 24 Analysis of funds

	At 1 April 2017	Total income and endowment s	Total expenditure	Net gains/losses	Transfer between funds	At 31 March 2018
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
Unrestricted income fund	395,568	67,164	(2,833,480)	-	3,057,069	686,321
<b>Endowment Funds</b>						
Permanent endowment	151,992,322	3,756,602	(699,533)	(2,175,042)	(3,057,069)	149,817,280
	<u>152,387,890</u>	<u>3,823,766</u>	<u>(3,533,013)</u>	<u>(2,175,042)</u>	<u>-</u>	<u>150,503,601</u>

## 25 Unrestricted Funds

	£	2018 £	£	2017 £
<b>General Reserves</b>				
At 1 April 2017		395,568		132,697
From Advancement of Education	579,947		522,063	
To Pensions and Relief of Need	<u>(289,194)</u>		<u>(259,192)</u>	
		<u>290,753</u>		<u>262,871</u>
At 31 March 2018		<u>686,321</u>		<u>395,568</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

	2018 £	2017 £
<b>Pensions and Relief of Need</b>		
At 1 April 2017	-	-
Moiety surplus for the year	1,185,341	1,037,234
	<u>1,185,341</u>	<u>1,037,234</u>
Less: Expenditure on Pensions and Relief of Need	(1,474,535)	(1,296,426)
	<u>(289,194)</u>	<u>(259,192)</u>
Transfer from general reserve	289,194	259,192
At 31 March 2018	<u>-</u>	<u>-</u>
<b>Advancement of Education</b>		
At 1 April 2017	-	-
Moiety surplus for the year	1,185,341	1,037,235
	<u>1,185,341</u>	<u>1,037,235</u>
Less: Expenditure on Advancement of Education	(605,394)	(515,172)
	<u>579,947</u>	<u>522,063</u>
Transfer to general reserve	(579,947)	(522,063)
At 31 March 2018	<u>-</u>	<u>-</u>
<b>Summary of Revenue Reserve</b>		
At 1 April 2017	395,568	132,697
Profit/(loss) for the year	290,753	262,871
At 31 March 2018	<u>686,321</u>	<u>395,568</u>
Trustees have designated the uses of the Revenue Reserves to be:		
Contingency against loss of income	606,321	315,568
Sinking fund for equipment replacement	80,000	80,000
At 31 March 2018	<u>686,321</u>	<u>395,568</u>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

.....continued

## 26 Net assets by fund

	Unrestricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
	£	£	£	£
Tangible assets	3,761	1,469,976	1,473,737	1,476,106
Investments	-	147,694,547	147,694,547	147,925,295
Current assets	1,710,086	652,757	2,362,843	4,034,195
Creditors: Amounts falling due within one year	(943,881)	-	(943,881)	(948,542)
Creditors: Amounts falling due after more than one year	(83,645)	-	(83,645)	(99,164)
Net assets	<u>686,321</u>	<u>149,817,280</u>	<u>150,503,601</u>	<u>152,387,890</u>