

THE GLEN BEG FOUNDATION

(Registered Charity in England and Wales No. 1073928)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

THE GLEN BEG FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2018

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THE GLEN BEG FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees	Baroness Shackleton of Belgravia LVO Dr A L H Gailey CVO Mr E S Lane-Fox
Charity Registered No	1073928
Principal Office	70 Grosvenor Street London W1K 3JP
Administrator	Ms R Nagra – from 1 January 2019 Ms V Parish – until 31 August 2018
Bankers	The Royal Bank of Scotland plc Commercial & Private Banking 250 Bishopsgate London EC2M 4AA
Solicitors	Payne Hicks Beach 10 New Square Lincoln's Inn London WC2A 3QG
Investment Manager	Schroder & Co. Limited 1 London Wall Place London EC2Y 5AU
Auditor	Deloitte LLP Statutory Auditor 2 New Street Square London EC4A 3BZ

THE GLEN BEG FOUNDATION

TRUSTEES' ANNUAL REPORT YEAR ENDED 31 DECEMBER 2018

The Trustees are pleased to present their annual report along with the financial statements of The Glen Beg Foundation for the year ended 31 December 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a) Constitution

The charity was formed under a Declaration of Trust dated 14 January 1999.

The Trustees who served during the year and at the date of signing were:

Baroness Shackleton of Belgravia LVO
Dr A L H Gailey CVO
Mr E S Lane-Fox

No Trustee had any interests in the charity.

b) Method of election of Trustees

New or additional Trustees are appointed by deed. Every future Trustee must sign a declaration of willingness to act as a Trustee before he or she is eligible to vote at any meeting of the Trustees. The current Trustees would ensure that an appropriate induction programme was undertaken in the event of a new appointment.

c) Organisational structure and decision making

The Foundation operates from its head office at 70 Grosvenor Street, London.

The Trustees meet at least once a year to consider appeals for grants, the current and future financial position of the Foundation and longer term strategy. Day to day responsibility for the running of the Foundation has been delegated to a small team of suitably qualified individuals employed by the Grosvenor Family Office.

The Foundation does not employ any staff directly.

The Foundation has regard to the seven principles of good governance and best practice which are set out in the Charity Governance Code.

d) Risk Management

The major risks to which the charity is exposed as identified by the Trustees have been reviewed, and procedures have been established to mitigate those risks. A full risk assessment is undertaken on an annual basis by the Trustees.

The key risks that have been identified and which are carefully monitored are:

- Poor performance of the investment portfolio leading to a material financial loss of our main source of funding. This has been mitigated by diversification of investments and regular performance monitoring; and
- Risk of fraud or failure of internal financial controls which is mitigated by shared authorisation procedures.

OBJECTIVES AND ACTIVITIES

a) Objectives

The assets of the charity are held on trust for such exclusively charitable objects or purposes in any part of the world as the Trustees may from time to time determine.

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 DECEMBER 2018

OBJECTIVES AND ACTIVITIES (CONTINUED)

b) Aims

The charity is a grant making foundation that aims principally to address social welfare issues by supporting appropriate registered charities.

c) Statement of public benefit

The Trustees have paid due regard to the guidance produced by the Charity Commission when reviewing the Foundation's aims and objectives, and are satisfied that the charitable activities and projects funded through grant making are of direct benefit to the public. The Trustees' responsibility is to ensure that the monies are being spent in line with the charity's aims and objectives. For grants greater than £5,000 the Trustees request an impact report from the recipient charities explaining how the donation has been utilised.

d) Grant Making Policy

The Foundation concentrates its grant making activities almost exclusively on smaller charities where its contribution can make a real difference. The Trustees' grant making priorities are:

- ***Disadvantaged Children and Young People.***
To help disadvantaged young people and to enable them to participate in society by providing support and activities which develop their skills, confidence and aspiration.
- ***Third World infrastructure and development.***
To assist charities supporting the third world, especially those supporting infrastructure such as clean water and agricultural improvements.
- ***Conservation and sustainable development.***
To help promote conservation and the sustainable use of the world's scarce resources for the benefit of those whose lives depend on them and for future generations.
- ***Heritage.***
To support the renovation and conservation of historic buildings and monuments.

Support is given mainly by grants to appropriate registered charities. On occasion, the Foundation may support charities that are exempt or exempted from registration, or projects where the grant is for an exclusively charitable purpose. Proposals are likely to be invited by the Trustees, and in general the Foundation does not fund unsolicited appeals. Grants are not made to individuals.

ACHIEVEMENTS AND PERFORMANCE

a) Review of activities and financial review

The attached financial statements give details of the financial transactions in the year and the financial position at the year end.

Total income for the year of £68,050 (2017: £26,997) was £41,053 higher due to donations received of £40,900. Expenditure totalling £27,887 was £6,019 lower (2017: £33,906) due to a decrease in grant making of £6,400. Grants of £18,300 (2017: £24,700) were made during the year.

Four grants were awarded during the year, with an average size of £4,575. There was one grant in excess of this, which was £12,500 awarded to Historic Royal Palaces.

The distribution target for 2018 was £33,370 (based on 3% of the opening investment portfolio value) in accordance with the Trustees' previously agreed distribution policy. The shortfall against target was because applications received did not meet the funding criteria of the foundation. This will likely normalise over future years.

**TRUSTEES' ANNUAL REPORT
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

b) Investment policy and performance

The Trustees have wide investment powers and a policy of seeking a fair balance between capital growth and income yield.

The market value of investments (including cash held within the portfolio) decreased to £1,024,482 (2017: £1,112,323), a decrease of 7.9%. The overall return of the investment portfolio for the year was -5.6%, compared to a benchmark return of 6.6% (RPI plus 4%).

The asset allocation at 31 December 2018 and 31 December 2017 was:

	2018	2017
	%	%
UK equities	19	24
Global equities	30	27
Emerging markets	11	11
Multi-asset Funds	21	21
Global bonds	5	4
Property funds	13	12
Cash	1	1

During the year, the trustees agreed to rebalance the portfolio by reducing the allocation to UK equities by £50,000 and reinvesting the proceeds in global equities.

The Trustees regularly review the performance of the investment portfolio, and during 2019 will continue to review the asset allocation with their advisors.

OTHER POLICIES

a) Reserves policy

The Trustees look to retain approximately 12 months of funding in cash, which is approximately £31,000 based on year end values. This will ensure sufficient working capital is held for grant making, and also enables modest sums to be put aside for investment which in time will generate further income for the Foundation's work. The year end cash balance of £75,747 is in excess of this largely due to the donation received during the year. The Trustees will consider how this additional income might be invested to support future grants at their next meeting.

The Foundation's funds are all unrestricted and may be used in furtherance of its charitable objects. The investment portfolio (which is the main asset of the Foundation) is largely invested in liquid assets which could be realised if necessary should any unforeseen circumstances arise.

At the balance sheet date, the Trustees are satisfied that the current level of available funds meets the Foundation's requirements. Unrestricted funds at 31 December 2018 are £1,099,958 (2017: £1,145,270).

b) Plans for future periods

The Trustees are continually looking for ways to increase the level of grants made by the charity and are looking to fund that principally from income generated from investments.

This will be achieved by continued monitoring of the investment portfolio valuation and asset allocation at each Trustee Meeting, to ensure that the portfolio continues to perform consistently when taking into consideration market factors while ensuring that income and dividend growth is robust. We hope to distribute more funds in the current year by identifying suitable applicants/projects.

**TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2018**

c) Going concern

The Trustees believe that the Foundation will be able to maintain positive cashflows for at least 12 months from the date of signing the financial statements. As a result, the going concern basis of accounting remains appropriate.

d) Auditor

A resolution for the reappointment of Deloitte LLP as the charity's auditor will be proposed at a future Trustee meeting.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

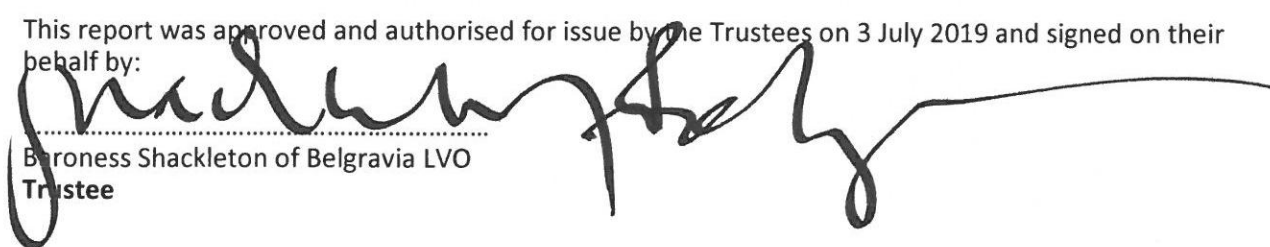
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing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

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

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved and authorised for issue by the Trustees on 3 July 2019 and signed on their behalf by:


Baroness Shackleton of Belgravia LVO
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE GLEN BEG FOUNDATION

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Glen Beg Foundation (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 31/12/2018 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011 and the trust deed.

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet; and
- the related notes 1 to 6.

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).

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 financial statements section of our report.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE GLEN BEG FOUNDATION (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 trustees 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 charity 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 auditor 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE GLEN BEG FOUNDATION (continued)

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters 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 and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our 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 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Deloitte LLP
Statutory Auditor
London, United Kingdom

26 July 2019

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

THE GLEN BEG FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds 2018 £	Unrestricted Funds 2017 £
Income and endowments from:			
Donations		40,900	-
Investment Income:			
Income from investments		27,153	26,928
Bank interest (payable)/receivable		(3)	69
Total income and endowments		68,050	26,997
Expenditure on:			
Raising funds		(2,838)	(2,534)
Charitable activities	5	(25,049)	(31,372)
Total expenditure		(27,887)	(33,906)
Realised (losses) / gains on disposal of investments		(335)	13,495
Unrealised (losses) / gains on investments	2	(85,140)	71,387
Net (expenditure) / income and movement in funds		(45,312)	77,973
Reconciliation of funds			
Funds brought forward 1 January		1,145,270	1,067,297
Funds carried forward 31 December		1,099,958	1,145,270

All income and expenditure relates to continuing operations.

There were no recognised gains or losses for the current year or preceding year other than those shown above.

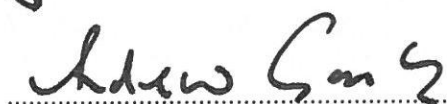
THE GLEN BEG FOUNDATION

BALANCE SHEET
YEAR ENDED 31 DECEMBER 2018

	Note	31 December 2018 £	31 December 2017 £
FIXED ASSETS			
Investments	2	1,022,180	1,107,182
Cash held with brokers		2,302	5,141
Total fixed assets		1,024,482	1,112,323
CURRENT ASSETS			
Debtors	3	3,449	4,070
Cash at bank and in hand		75,747	36,477
		79,196	40,547
CURRENT LIABILITIES			
Creditors	4	(3,720)	(7,600)
Net current assets		75,476	32,947
NET ASSETS		1,099,958	1,145,270
FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS		1,099,958	1,145,270

These financial statements of The Glen Beg Foundation, registered number 1073928, were approved by the Board of Trustees and authorised for issue on 3 July 2019.


Baroness Shackleton of Belgravia LVO


Dr A L H Gailey CVO

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'.

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees Report which also describes the financial position of the charity including its cash, investments, distributions and reserves policy. Taking these into consideration and the fact that all funds are unrestricted, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

The principal accounting policies are set out below.

(b) Investments

Listed investments are valued at the market price from a recognised stock exchange at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or value at the date of purchase if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or value at the date of purchase if later).

The Foundation is largely invested in unit trusts or Common Investment Funds. Investment management fees are reflected in the valuations provided by each manager and are not paid directly to the managers.

(c) Income and Expenditure

Income is accounted for in the Statement of Financial Activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy and is probable to be received. Income from investments is treated as receivable when the investment is quoted ex-dividend. Other income and all expenditure are accounted for on an accruals basis. Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. Costs of raising funds comprise investment management costs associated with managing the Foundation's investments.

Included in charitable expenditure are the audit fee and management fee which are allocated to charitable activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

(d) Taxation

On the basis that the activities fall within charitable purposes and the funds are applied only for these purposes, no provision for taxation is made.

(e) Fund Accounting

All funds are unrestricted and can be used in accordance with the Foundation's charitable objects at the discretion of the Trustees.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Investments are initially recognised at transaction value and subsequently measured at fair value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(g) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

2. LISTED INVESTMENTS

The portfolio is invested in several funds which are diversified by both manager and asset class. The value of investments at the year end has been provided by the investment managers based on the market value at 31 December.

The movements in the portfolio during the year were as follows:

	2018 £	2017 £
Market value 1 January	1,107,182	974,818
Additions at cost	50,473	228,085
Disposals at carrying value	(50,335)	(167,108)
Unrealised (losses) / gains	(85,140)	71,387
Market value 31 December	<u>1,022,180</u>	<u>1,107,182</u>
Cost 31 December	<u>796,032</u>	<u>768,797</u>

3. DEBTORS – Amounts falling due within one year

	2018 £	2017 £
Dividend account with fund manager	3,449	4,067
Accrued interest receivable	-	3
	<u>3,449</u>	<u>4,070</u>

4. CREDITORS – Amounts falling due within one year

	2018 £	2017 £
Grant commitments	-	1,000
Accruals	3,720	6,600
	<u>3,720</u>	<u>7,600</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Grant making:		
Disadvantaged Children and Young People	4,000	2,000
Conservation and Sustainable Development	-	4,200
Supporting communities	-	5,000
Heritage	12,500	12,500
Other	1,800	1,000
	<u>18,300</u>	<u>24,700</u>
Support costs:		
Bank charges	29	72
Audit fee	3,720	3,600
Management charges	3,000	3,000
Total charitable activities	<u>25,049</u>	<u>31,372</u>

Further detail of grants awarded can be found in the Trustees' Annual Report.

Support costs include governance costs of £3,720 (2017: £3,600).

6. RELATED PARTY TRANSACTIONS

There have been no related party transactions in the year. No Trustee or persons connected with them received any remuneration or reimbursement for expenses during the year (2017: none). No trustees donated money to the charity (2017: none). No trustees are related to any charity awarded grants (2017: none).