
THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2019

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

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THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2019

Trustees

Crispin Michael Rope
Jeremy Philip Winteringham Heal
Mrs Ellen Mary Jolly
Paul Andrew Jolly (resigned 30 June 2018)
Mrs Catherine Susanne Judith Scott

Charity registered number

290533

Principal office

Lucy House, St. William Court, Kesgrave, Ipswich, Suffolk, IP5 2QP

Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

Bankers

Barclays Bank plc, 1 Princes Street, Ipswich, IP1 1PB

Solicitors

Howes Percival LLP, Flint Buildings, 1 Bedding Lane, Norwich, NR3 1RG

Stockbrokers

HSBC Private Bank (UK) Ltd, 8 Cork Street, London, W1S 3LJ

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2019

The Trustees present their report together with the audited financial statements of The Mrs L D Rope Third Charitable Settlement (the charity and the group) for the year ended 5 April 2019. The Trustees confirm that the Annual Report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. OBJECTIVES AND ACTIVITIES

1.1 Purpose of the Charity

The Mrs L D Rope Third Charitable Settlement is regulated by a Trust Deed dated 22nd October 1984 as amended by supplemental deed dated 23rd July 2004. Lucy Rope, the Founder, was driven during her time to work to help those in great need. Her enduring legacy is the formal expression of her Founder's Wishes which so clearly articulate her vision and thereby bind future generations of Trustees governing the Charity. The Charity's purpose, in accordance with the Trust Deed and having regard to the Founder's Wishes, are described below by reference to the following four heads of charitable giving.

Relief of poverty

Support for a number of causes and individuals where the Trustees have knowledge and experience, particularly those both in the UK and in the Third World who are little catered for by other charities or by grants or benefits from governments or other authorities, or are in particularly deprived areas.

Advancement of Education

Support for educational projects connected with the Founder's family, including support for Catholic and other schools in the general area of Ipswich.

Advancement of Religion

Support for the Roman Catholic religion and ecumenical work, both generally and for specific institutions connected historically with the families of William Oliver Jolly and his wife Alice and Dr Henry John Rope and their descendants.

General Charitable Purposes

Public and other charitable purposes in the general region of east Suffolk and in particular the parish of Kesgrave and the areas surrounding it, including Ipswich. Particular emphasis is placed on small grants to individuals in need in the Charity's primary area.

The governing document expresses the objectives of the Charity more broadly, the objectives of the Charity are to pay or apply funds "to such charitable purposes" as the Trustees may decide, subject to the powers reserved to the Founder to give directions or express wishes.

1.2 Founder's Wishes regarding the activities of the Charity

The Founder and her family essentially outlined their charitable grant making purposes in the 100 years prior to the formation of the Charity, when they provided funds from their personal resources and often devoted themselves to charitable and religious work (11 were priests or nuns). The Charity's financial base was essentially generated by the Founder's grandfather and father, William Jolly and William Oliver Jolly.

The Trustees come to their work with a specifically Christian bias (although with liberal leanings). Among other

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

things this means that they would wish the work of the Charity to be carried on as anonymously as possible. Clearly the public interest does not allow this to be complete and it is accepted that the Charity must comply with contemporary standards of public disclosure.

The Founder's natural instinct was to be proactive in going about helping those in need, in particular funding should be aimed at "making a difference" whether this is providing needs as basic as food or a bed; a modest sum for clothing so that a young local person leaving care can have the right sort of clothes for job seeking or a cycle to get to work; or a charity can be encouraged to use more volunteers more effectively for its work; a small charity in a relatively deprived area can be supported and encouraged in its work. This means that the Charity has an in-built presumption against funding major national charities or other charities which clearly already have the support of "the great and the good" and are able to employ paid fundraisers, since these are much more likely to be able to raise the funds they need without our help. Funding should be timely. If an applicant is deserving and needs funds urgently, systems must be in place to allow the need to be met.

The Charity's over-arching purpose remains the relief of poverty although this is very often combined with the provision of education, the support of religion or general public purposes. Increasingly, the Charity has focussed on the relief of poverty in the local area of East Suffolk.

The Founder set up three other charities, each of which has different objectives and all of which have quite different policies to this Charity. The Founder wished this Charity to have regard to the needs of these other three charities. The Charity's staff working on charitable giving provide more help and assistance to the Rope Second Charity and the programmes they are running.

1.3 Charitable activities

The Trustees have over several years raised the priority for grant making for our local home area of East Suffolk, principally the county town of Ipswich, and small areas adjacent to Suffolk in Essex and Norfolk. It is a clear objective to focus our grant making within our local area rather than being spread thinly across a wider geographical area.

The Trustees aim to support individuals in great need firstly by working with local agencies to provide essential help directly to individuals and secondly by supporting local institutions who are themselves working to help individuals.

Our "flagship" programme for supporting individuals in East Suffolk is regarded as being "indispensable" and is certainly unique locally by being prepared to make modest grants to individuals in great need. The programme relies on support workers working for front line organisations, identifying those with the most urgent needs and, after judging what help might be necessary, it can then be made quickly available to support an individual or a family in need. The Charity takes great pride in being able to respond rapidly when requests for help are urgent. A grant can be made within hours if necessary. This attempts to reflect the early Christian tradition of searching out those in need and providing help "day and night". Demand for this programme has a deep seated momentum of its own as more and more individuals and families are falling into poverty. Potential applicants will always have investigated their eligibility for state benefits but often find that there can be delays or other problems associated with their claim. They then approach the agencies with whom we work for the most basic of human needs: food, help with accommodation, essential appliances and furnishings. The success of the programme has been remarkable and remains our most pressing priority.

The Trustees are also committed to supporting local charitable institutions working to help individuals. Many institutions are themselves under increasing financial pressure following the government and local authority funding cutbacks. The priority remains institutions in the Charity's local priority area which as far as institutional giving is concerned now includes Lowestoft and Great Yarmouth and some poor parts of the north Essex coastal area. Grants of this sort are seen as essential to ensure that services really needed by those in need – for example, provision of food and furniture – can continue to operate effectively locally. Over the years we have built good working relationships with our local Citizens Advice Bureaux, foodbanks, charities working with the disabled and special needs as well as providing grants to local schools in the deprived areas of Ipswich and

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

Lowestoft where they have a project which cannot be funded by the school but which will allow the school to provide opportunities for children in need.

The Third World has been a further focus for our institutional grant making over the years. The Trustees continue to believe that the Charity does important work by giving financial support to projects in the Third World. The Charity has developed a number of relationships with particular overseas organisations, often either those operated by the Catholic Church or those with whom the Charity has connections through people who have been known to it for many years. The Charity also made a grant this year to help disabled people in Cambodia through a couple well-known to the Trustees and who have been personally overseeing the project. For example, we continued during the year to support St Stephen's Hospital and the Kumi Community Project in Uganda. Additionally the Charity continues to support relief work following major disasters. In recent years it has chosen to channel most of this help through CAFOD and specialist agencies.

Finally, a specific wish of the Founder was to safeguard the future of Kesgrave Catholic Church which is held by the Charity. The Trustees have an obligation to provide the church to the RC Bishop of East Anglia for services and to maintain the fabric of the church. The Trustees have ample funds for the long term maintenance of the church and have set aside a designated fund of £125,000 towards maintenance. In addition, the Charity provides a priest with accommodation in one of its flats. The Church has a large and flourishing congregation and its future is as secure as humanly possible.

1.4 Main activities to further the Charity's purposes for public benefit

The public benefit requirement has always been enshrined in the law but Trustees are now required, through their annual report, to demonstrate that their aims are for the public benefit and to confirm that they have had due regard to the guidance on public benefit published by the Charity Commission.

The Charity has always concentrated heavily on achieving public benefit in its grant making. The Charity's overarching aim of relief of poverty addresses what is a very large class of the poor centred on a significant part of Suffolk and in the Third World. The Charity has been focusing increasingly on the relief of poverty by helping individuals directly and providing broader help within the community, by supporting institutions working with the poor or for other charitable purposes.

The Charity provides support generally to Catholic churches in East Anglia, as well as having title to and funding Kesgrave Catholic Church. This support benefits many thousands of worshippers each year. In addition, many of the grants for religious purposes benefit the poor, for example, in providing support for the Roman Catholic clergy whose incomes are extremely low.

The Trustees are committed to remaining completely abreast with regard to developments in charity law and regulations. The Trustees have complied with their duty under Clause 17(5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

1.5 Policies for achieving objectives

Institutions

The Charity receives a large number of applications from institutions which are local to us and also from those which are further afield. However, grants are rarely made to charities outside the primary beneficial area of East Suffolk and are usually one-off and small in scale. The Charity has developed a set of policies when considering whether an application complies with the Charity's stated objectives. Successful applications to the Charity usually display a combination of the following features:-

Size

The Trustees very much prefer to encourage charities that work at "grass-roots" level within their community. Such charities are unlikely to have benefited greatly from grant funding from local, national (including funds from the National Lottery) or European authorities. They are also less likely to be as wealthy in comparison with other charities that attract popular support on a national basis. The charities assisted usually cannot afford to pay for the professional help other charities may use to raise funds.

Volunteers

The Trustees prefer applications from charities that are able to show they have a committed and proportionately large volunteer force.

Administration

The less a charity spends on paying for its own administration, particularly as far as staff salaries are concerned, the more it is likely to be considered by the Trustees.

Areas of interest

Charities with the above characteristics that work in any of the following areas:

- a) Helping people who struggle to live on very little income, including the homeless.
- b) Helping charities in our immediate local area of East Suffolk.
- c) Helping people who live in deprived inner city and rural areas of the UK, particularly young people who lack the opportunities that may be available elsewhere.
- d) Helping to support family life.
- e) Helping disabled people.
- f) Helping certain types of Roman Catholic charities and ecumenical projects.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

Individuals

Unlike many Trusts, the Charity can consider helping people on a personal basis. The Trustees give priority to people struggling to live on little income within the primary beneficial area. Grants are rarely made to individuals living outside the primary beneficial area. Of the individuals assisted, almost all are referred by field professionals such as housing or probation officers, working in the Charity's preferred geographical area on whose informed advice the Trustees can place reliance.

Categories of applications which cannot be considered

Overseas Projects

Based on the Trustees' experiences so far, and the large number of requests received, the Trustees are not normally able to assist new projects or individuals working overseas. Unfortunately, this also means they cannot normally help individuals who are planning to undertake voluntary work abroad. This applies particularly to 'gap' year students. The only possible exception would be where there was a proven long-term connection to the Trust. The Trustees have had to take this decision bearing in mind the difficulties of making effective grants in this type of work, as far as supervision and monitoring are concerned. Overseas gifts are now channelled through carefully selected charities which the Charity has often supported for many years. This situation is very unlikely to change for the foreseeable future.

National Charities

Generally, the bigger a charity is, the more assets it has, the more it costs to run, the wider its geographical spread, the higher its media profile, the less likely it is that the Trustees will be able to help. They do not respond to nationwide appeals, as they believe that the Charity's grants should really make a difference. Additionally, it is unlikely that the local operation of a national charity will appeal to the Trustees. The Trustees cannot replace funds that may be available elsewhere from statutory sources.

Request for Core Funding

Although this is always an area that is hard to define, the Trustees are reluctant to fund overheads such as paid employment, office running costs, fundraising and other professional fees or anything which is not immediately connected with the mission of the applicant organisation. However, the severity of the government's funding cuts has led to this policy being relaxed and in exceptional cases requests for core funding will be authorised.

Buildings

It is most unusual for the Trustees to be able to make capital grants for the construction, purchase, maintenance or renovation of any kind of building in response to unsolicited applications.

Medical Research/Health Care

The Trustees are supporting hospices in our local area, but will not normally consider applications from charities working in these fields outside the primary beneficial area.

Schools

The Charity can only help schools within the primary beneficial area and although the priority is for Catholic Schools, the Trustees are willing to consider applications from any schools within the deprived areas of the beneficial area. The Charity will not fund fees for private education.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

Environmental Charities and Animal Welfare

Appeals from environmental and animal welfare charities do not fall within the guidelines.

The Arts

Applications related to the performing, literary or visual arts do usually not fall within the guidelines.

"Matched" Funding

The Charity will not usually offer "matched" funding for National Lottery, statutory or European funding bids. However, if on a very much smaller scale, a donation from the Charity is likely to encourage other donors to come forward then an application may be considered.

Private Individuals

The Trustees are only able to consider applications for individuals who live in our primary beneficial area if they are referred by a third-party agency, as explained in Grants to individuals above.

2. ACHIEVEMENTS AND PERFORMANCE

Review of activities

The Charity continues to meet the challenge of doing as much as it can to help relieve poverty at a time when demand from those in need of help continues to increase. Against this challenging background, the Trustees are pleased to be able to report that grant making to individuals reached a record level of £723,690. Total grant making, however amounted to £1,186,521, which was £235,693 lower than last year's total of £1,422,214. This reduction in charitable spending reflects a decision to reduce grants to institutions to allow the Charity to focus more funding towards the ever-increasing need to help individuals in our local area and, at the same time, to implement a decision to bring charitable expenditure back into line with the current level of investment income.

Grants to individuals

Supporting individuals in need in the Charity's home area of Ipswich and East Suffolk is regarded by the Trustees as being our first priority. Grant applications to help individuals in need come to us through a wide range of "front line" agencies and social workers who work with the poor, including housing, advice, education, mental health and disability agencies. Over the year grants to individuals in this area amounted to £723,690, an increase of £97,944 on the previous year (2018: £625,746). It is predicted again that the need for the Charity to help individuals in poverty will continue to rise into the next year.

There has been a persistent rise in the number of families, both working and those relying on state benefits, struggling to make ends meet. In-work poverty has been rising, driven almost entirely by increasing poverty amongst working parents, with the highest rates of persistent poverty seen among lone-parent families. This is closely followed by single men without children and a rise in pensioner poverty. Poverty has a heavy impact on these people's financial resilience, health and well-being. In addition to having lower incomes week to week, people in poverty are much less likely to be able to build up savings to cover unexpected expenses, invest in improvements in their homes or to access opportunities open to others in society in general. People on low incomes are more likely to get into problem debt through falling behind with bills and, most importantly, living in poverty contributes to poorer physical and mental health. Over the year we have made 3,132 grants to individuals and families in need who have been referred to us to help alleviate the impact of these problems.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

The Trustees have always applied the principle that grants made should not replace statutory funding. However, state benefits have progressively been cut back, while the introduction of Universal Credit in the areas where we make grants has complicated the benefits system for some recipients. The Local Welfare Assistance scheme, run for the past several years by Suffolk County Council to help individuals with furniture, white goods and other needs, has been steadily diminishing year on year and came to an end completely in February 2019. This has led to a continuing increase in demand for our help with furniture and white goods and grants for this purpose amounted to £377,856 for the year, which represented just over half of total grant making to individuals.

The need for people to come to us for help with housing costs increased this year. Often they need help with clearing rent arrears or with a new deposit before they are in a position to "make ends meet" and get their life back on an even keel, or, indeed, to be able to move to a smaller, more affordable, property. The Trustees are willing to help towards rent arrears, providing the provision of our grants is part of a package of measures likely to resolve their problem. Over the last financial year grants for rent arrears and rent deposits comprised £66,431 (2018: £41,185).

Grants to institutions

For institutional giving, the size of grants and the nature of the relationship is different, in that grants are typically much larger and there is always a relationship with the institution who we will often know well. Our staff make regular visits to the institutions we support to review our programmes and work closely to monitor their delivery against our expectations. The Trustees are aware of the risks and are alert to the challenge of judging how much due diligence should be undertaken to evidence that institutions being supported are well governed.

The Charity aims to direct our grant making capacity towards the institutions who provide essential services to individuals locally and who have the greatest need of our help. In recent years our focus has been to not only help institutions locally but to go as far afield as Lowestoft, Great Yarmouth and some poor parts of North Essex. This year grants to institutions in Ipswich, East Suffolk and wider East Anglia amounted to more than three-quarters of total spending on grants to institutions. A smaller proportion of grants were also made to institutions lying outside the Charity's priority geographical area. In these cases the institutions involved were often closely related to the lives and work of past and present family members and, as well as relieving poverty, encompassed the Charity's other guidelines for giving, namely the advancement of religion, education and public purposes.

Our grant making programme to institutions has always been heavily influenced by government policy. Many local agencies working to help the poor face the prospect of financial difficulty following annual cutbacks in funding by local authorities and government. The problem with state funding is that cutbacks are often made at very short notice and at best funding commitments are typically for only the current financial year. The Trustees remain in close touch with local agencies and remain willing to commit significant funding where a local agency doing critical work to help the poor faces financial difficulty. Grants were also made to several schools in the more deprived areas of Ipswich and Lowestoft to alleviate family hardship and enrich pupils' experience. Research shows that the biggest driver of future poverty is the educational attainment of children since this has a major impact on their chances of being employed and of earning enough to avoid poverty as adults.

The Third World continues to have a place in our grant making but at a much reduced level as our priority is to focus what funds we have towards our key priorities to support individuals and institutions in need in our local area around East Suffolk. Also, the Trustees are mindful of the practical difficulties of supporting and monitoring charitable institutions located and operating in the Third World. Therefore, the policy for international grant making is to maintain funding for overseas institutions with which the Charity has a relationship and which need our continuing help. Grants to help with work overseas amounted to £33,500 for the year (2017: £81,000). Our regular grant making programme to St Stephen's Hospital in Uganda continued with funds already committed by the Charity in previous years. We also responded, as the need arose, to disaster relief appeals through CAFOD, again with funds which had been previously committed by Trustees.

Major institutional grants in the year are shown overleaf:-

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

		Total Amount
Felixstowe Citizens Advice	Two year commitment towards financial capability provision and budget shortfall.	£30,000
Leiston, Saxmundham & District Citizens Advice	Two year commitment towards budget shortfall.	£30,000
St Vincent de Paul	Commitment and grants for the work of the SVP conferences in Clacton and Great Yarmouth & Gorleston.	£28,000
DIAL (Disability Information & Advice Lowestoft)	Two year commitment to support the work of the Senior Benefits Advisor.	£25,000
4YP, Ipswich	Two year commitment towards cost of building lease and a hardship grant for use of young people attending the centre.	£21,700
FareShare, Ipswich	Two year commitment towards the cost of leasing a refrigerated van for distributing surplus food donated by supermarkets.	£20,000
The Mix	Two grants made towards youth work in Stowmarket.	£15,000
Thetford Foodbank	Three year commitment towards volunteer costs.	£15,000
Rainbow Saver	Grant to this Lowestoft credit union to purchase CU Forms, an up-to-date online access banking system.	£14,664
Eastern Savings & Loans	Grant to this credit union based in Ipswich to purchase CU Forms, an up-to-date online access banking system.	£14,664
St Vincent's Family Project	Grant towards this project, originally established by the Daughters of Charity, to support families in need in the Westminster area.	£13,500
St Mary's Catholic Primary School, Ipswich	Two grants towards the purchase of an outside canopy and a storage shed.	£13,000
Chaplaincy Benevolent Fund	Grants to enable 138 prisoners at Hollesley Bay and Warren Heath prisons to purchase clothing and other essential items via the prison chaplain.	£13,000
Level 2 Youth Project	Grant towards the salary of the Manager at youth project in Felixstowe.	£12,000
St Vincent de Paul	Commitment to the work of the SVP conferences in Clacton and Great Yarmouth & Gorleston.	£10,000
Venerable English College in Rome	Grant towards major development of the archives in memory of the Founder's late brother-in-law who was an archivist at the College for many years.	£10,000
Lighthouse Women's Aid	Grant towards the salary of the Crisis Worker at this women's refuge in Ipswich.	£10,000
FIND, Ipswich	Grants to purchase food supplies for the foodbank.	£10,000
Let's Talk Reading Project	Grant towards the work of this literacy project in Ipswich.	£10,000
Kids for Kids	Grant to a project to relieve poverty in Darfur.	£10,000

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

Grant making analysis

The tables below show an analysis of giving falling within this year's Accounts analysed by type of need and by location, separately for giving to individuals and giving to institutions.

Analysis by type of need

	Giving to Individuals	Giving to Institutions
	£	£
Relief of poverty	723,690	420,988
Advancement of education	-	(19,500)
Advancement of religion	-	24,500
Other charitable	-	36,843
	723,690	462,831

Analysis by location

	Giving to Individuals	Giving to Institutions
	£	£
Kesgrave	6,372	(35,880)
Ipswich/South-East	493,619	354,488
Other	223,699	42,798
Other	-	67,925
Overseas	-	33,500
	723,690	462,831

Grant making process

Satisfying themselves that grant making is effective is an important objective for the Trustees. The Charity received more than 3,300 applications during the year for grants of varying sizes. Grant requests for individuals are raised by support workers from the extensive network of care agencies with which the Charity now works locally. Applications for funding for institutions, both locally and otherwise, arrive directly from the organisation seeking the grant. Every application is recorded, considered and matched against the Charity's policies for giving. All applicants are considered in the first instance by the grant administrators and those that prima facie fall within the policies are investigated, initially by telephone or by email and, when appropriate, visits and other investigations. Our staff have regular contact with the support workers, many of whom visit our office to collect grants. Those that fulfil the criteria can typically be authorised by the staff, subject to the size of the grant. Staff authorise the small grants for individuals which are being processed in ever larger numbers, and which need to be dealt with promptly while the relatively fewer in number larger grants for institutions are authorised by Trustees, or indeed the Trustee Board. All grants over £10,000 are approved by the Trustee Board.

The Trustees are committed to administering grants cost efficiently. However, there is a cost penalty in making a relatively large number of small grants to individuals. These small grants can make a considerable difference to the individual but relatively they are time consuming to administer. The requests for help forwarded by support workers can be enormously varied and it takes time to collate the information we need to understand the application and consider its merits. For example, we need to weigh up helping someone with a bankruptcy application or applying for a passport needed for identification purposes for a job. For each application it takes time to make sure we understand the real need, consider how far we can help and then record and facilitate the grant. Faced with this administration, the Trustees have three staff members working almost entirely on grants to individuals. The Trustees are satisfied that there is a proper balance between keeping administration expenses to a minimum and ensuring that any funds given have the maximum beneficial effect.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

3. FINANCIAL REVIEW

3.1 Reserves policy

Background to income generation

The Charity's income from investments was £1,496,654 for the year. Dividend income continues to drive the growth of income as interest income has been held back for many years by low interest rates on cash deposits. Providing dividend income remains at current levels recurring investment income is likely to remain at the £1,500,000 level for the foreseeable future.

Kesgrave Covenant Ltd (KCL), the subsidiary trading company, has not been in a position to make any Gift Aid payment for the year and although there is no prospect of any gift aid in the immediate future, it is hoped that the company will be in a position to make a significant gift aid payment within three years.

Background to grant making

The Charity has in recent years moved the weight of grant making more towards making grants to individuals in need. However, where we are working with institutions there are from time to time projects which may take some time to come to fruition and this requires a commitment to be made. Since grants are recognised for accounting purposes when the firm commitment is made, this also means that grant making can become "lumpy" between one year and the next.

Reserves policy as regards normal income

The reserves position was reviewed by the Trustees during August 2018. The reserves policy seeks to maintain distributable reserves between a "minimum" level below which free reserves must not fall and a "maximum" up to which reserves may be held. The basic policy is based on no gift aid payments being received from KCL. In this case, the minimum figure for reserves has been agreed by the Trustees at 6 months' income averaged over a three year period. This ensures that the Charity will, in all normal circumstances, have a reserve sufficient to allow grants in a particular year to rise to 150% of the normal amount.

The Charity intends to continue to progress several potentially significant projects and with this in mind must maintain sufficient reserves to fund significant commitments. The maximum reserves that may be held have been increased to 24 months' income averaged over the three years. This means that the Charity could have the capacity to fund grants in a particular year to rise to 300% of the normal amount.

Reserves policy – Gift Aid receipts

Gift aid receipts can be quite large but will only occur at intervals. The policy is to treat gift aid receipts for reserve purposes as accruing evenly over the 6 years following the year in which they are received. This policy ensures that a sudden large gift aid receipt can be spent wisely in accordance with the Charity's policies and not have to be paid out at short notice for purposes which are not part of the Trustees' policies for priority.

Charity's Funds

The Charity's Unrestricted General Fund now stands at £1,594,442. The minimum Reserves figure set by policy is £740,000 and the maximum is £2,950,000.

The Charity's Unrestricted Designated Fund set aside by the Trustees to fund property held for charitable use stands at £3,555,333. The properties held for charitable use comprise Kesgrave Catholic Church, flats available for charitable use, a building in Foundation Street, Ipswich, and the Charity's offices at St William Court, Kesgrave. The Church Maintenance Fund of £125,000 is also held as an Unrestricted Designated Fund.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

3.2 Charity performance for the year

Charitable expenditure for the year of £1,449,074 was significantly lower than in the previous year of £1,670,916. This lower level of spending brings charitable expenditure back into line with the current level of investment income. The Trustees have in recent years been willing to increase charitable expenditure more rapidly than the growth of investment income, as they have been willing to draw on reserves, and indeed, have done so again this year.

Total income for the year increased to £1,525,976 as against £1,514,415 last year.

Investment income is by far the most significant contributor to total income. Rents received from the letting of charitable property make only a small contribution to total income. In future it is expected that the trading subsidiary may be better placed to make gift aid payments, however, there have been no such payments for several years.

Investment income for the year increased to £1,496,654 in comparison to £1,469,443 for the previous year.

Dividend income was broadly unchanged at £1,242,432 as against £1,218,127 last year. Companies have typically continued to increase their dividends, but this underlying trend of increasing dividends has been offset by several factors, particularly, a temporary fall in dividend receipts over a period of several months while the portfolio was restructured and higher cash balances were held, and also continuing delays in the recovery of withholding tax withheld on foreign dividends.

Income from letting investment property contributed a steady £208,097 (2018: £205,113).

Interest income was broadly unchanged at £46,125 as against £46,203 last year. Bank and building society interest rates rose during the second half of the year following the rise in base rates in August 2018. Rates have held steady at this slightly higher level although further base rate increases are now unlikely. The average interest rate achieved increased over the year by sixteen basis points to an average rate of 0.63% for the year (2018: 0.47%). Cash balances fell over the year by £69,812 to end the year at £11,836,537.

Expenditure on Investment Management fell to £180,114 from £182,385. Several factors underlie this fall, one factor is property expenses were £2,061 lower, stockbroking fees also fell by £1,666 as lower portfolio valuations were recorded over most of the year, but the most significant factor is in respect of investment consultancy fees which fell by £3,636. Offsetting this, higher legal fees in respect of investment property matters led to the increase of £5,091 in the total of support costs charged to Investment Management.

Expenditure on Charitable Activities amounted to £1,449,074 for the year. Grants comprise by far the largest proportion of this outlay and amount to £1,186,521. A further £37,827 was paid directly in support of charitable activities, mainly in respect of charitable accommodation. Finally, the share of the total of support costs charged to charitable activities amounted to £224,726. This is the share of the staff and office costs incurred in respect of grant making. When considering the complexity of administering the many, small individual grants we make, this level of "administration cost" continues to represent an "efficient" cost ratio of 15.3% (2018: 13.2%) of charitable expenditure.

The Charity's staff costs are by far the most significant part of the grand total of costs which are "pooled" together before being charged out between investment management, charitable activities and governance. The current staffing arrangements have now been in place for two years, there have been no changes in staffing during the year. Employment Costs for the year were slightly higher following the annual pay review at £146,797 (2018: £144,127). The support costs of running the Charity Office have been well controlled, coming in at £126,866 for the year (2018: £123,772). These are the typical costs of running an office including administration services, computer support, insurance and professional and legal fees. The Charity remains committed to controlling running costs within the context of clear spending priorities.

The Charity reported a net deficit for the year of £103,212 before recognising gains net of losses on the

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

revaluation of investments. Gains on the revaluation of investments amounted to £1,174,328. This comprises realised gains on the sale of shares of £254,420 and unrealised gains on the revaluation of the investment assets of £919,908.

3.3 Subsidiary trading company

The consolidated financial statements consolidate the Charity and its subsidiary company, The Kesgrave Covenant Ltd (KCL). KCL is engaged in managing and developing land and buildings – a commercial activity not generally directly related to the activities of the Charity, albeit a part of the profit derives from work done for the Charity in relation to its own investment properties and interests in land.

It may be useful to reiterate that the Charity was given the shares in its trading subsidiary and has not had to contribute any funds to that company. The contribution of the trading subsidiary to the income of the Charity has been substantial in the past and although no gift aid payment has been made since 2008 it is expected that KCL should in future be well placed to provide a useful albeit intermittent contribution to the Charity's income. One further critical point that must be emphasised is that the Charity and KCL operate completely independently of each other and that the Charity in no way underwrites the obligations of its subsidiary.

KCL remains well placed financially. The company progresses opportunities for the long term development of land and buildings. The North Ipswich housing development in which KCL has an interest is being actively progressed by the landowners in conjunction with the planning authorities. It is still anticipated that planning permission will be granted. In addition, work is now being done on a possible opportunity to develop further land in north east Ipswich. Work on the project has yet to generate trading income but developmental costs are being incurred as they arise and being written off. Consequently, in the absence of any income from these projects, the company reported a lower profit before tax for the year of £30,718 (2018: £46,577). KCL remains financially strong having followed a stated policy, supported by the Trustees, of retaining sufficient profit in the business to maintain equity capital at around the current level of £1,236,415.

3.4 Plans for the future

The future will no doubt bring considerable challenges for the Charity. The Charity is fortunate to be in a strong financial position but even so care will be needed to be sure that grant making remains consistent with the need to maintain the strength of the endowment. In a world where there are ever increasing demands for help from the poor, it will be necessary to focus what resources we have towards those in most need and where we can make the greatest difference.

The programmes to help the poor in the Charity's own local area of East Suffolk are already by some way our largest commitment and they are expected to expand further over the coming years. The pattern already seen so clearly of more families on low incomes finding themselves unable to cope as the state restricts benefits has been pronounced following the government's decision to hold the freeze on welfare benefits and to continue with the roll out of Universal Credit in spite of compelling evidence that many recipients are being dragged further into poverty. With these pressures and inflation rising we anticipate more families will need to seek our help.

Charitable institutions working in our local area with whom we work will also be looking towards our continued support as many are facing financial pressures. The charity sector has grown too dependent on state funding and many institutions are now facing the consequences of being committed to providing essential services to the poor but too often on a shrinking budget when their funding has been cut. The institutions we seek to support are those providing essential help to the poor in our local area. The Trustees are committed to increasing the help we provide by working with new institutions as well as those we are already supporting.

In respect of grant making to the Third World, we are not seeking new opportunities but we have continued to support institutions with which the Charity has had long relationships. In particular, in Uganda, the Trustees have worked for many years with a trusted UK charity outreach professional in respect of our support for St Stephen's Hospital and the Kumi Community Project, both of which provide much needed services to their communities in

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

the Kampala region. Other than these relationships, in recent years the Trustees have chosen to channel a much reduced level of support through CAFOD and specialist agencies. In practice, our support for charities overseas is running at a historically low level and this is likely to remain so in future.

4. INVESTMENT POLICY AND OBJECTIVES

4.1 Investment objectives

Though not herself greatly concerned with investment policy, the Founder believed that this was something with which the Trustee body personally should be involved and not something to be "left to the experts". Having lived through the slump of the 1930's, she also thought that investment policy should bear in mind the possibility of "disaster" risks but still take very much into account the advantages of a very long term investment horizon. In addition, the Founder felt strongly that the Charity should not use leverage of any type, including both straight borrowing (which includes short selling) and borrowing by implication (which includes all types of derivatives). Investments are held in accordance with the powers available to the Trustees, who have very wide investment powers, contained in the governing document.

The Trustees' approach to developing an investment strategy has been to deploy the wide powers of investment under the Trust Deed to develop an investment strategy that is "balanced" between asset classes but with a bias toward investing in real assets over the long term in order to deliver a strong return on the endowment. Over the last thirty years, the objective of a strong return from "balanced investment" has been achieved.

4.2 Investment policy

The current policy, reviewed by the Trustees in May 2019, is currently being revised and updated. The main principles of the policy are:-

It is the responsibility of the Trustees to make the major decisions on investment policy. They cannot expect to rely on professional advisors in a number of their most important decisions.

The emphasis of investment over the long term should be on real assets. However significant holdings of cash are prudent to protect the fund from times of major market setbacks. A minimum of 15% of the fund must be held in cash.

The Charity should maintain a significant investment in land and residential buildings and aim to have no less than 15% of its assets in this category.

Unless a clear case can be made that any actively managed equity funds outperform index funds after costs, the long term aim is to have at least 30% of the Charity's equity assets in investment trusts or index linked funds.

Overall ranges for the various asset classes are set as:-

	%
Cash/short term gilts	15-35
Property (of all types)	15-25
Total equities	45-65

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

Within total equities the overall ranges for various sub asset classes are set as:-

	%
Overseas equities	50-80
Developing markets and Canada	25-70
Natural resources	15-35

No business should be contracted in derivatives.

The fall in interest rates has forced the Trustees to accept a total lower income target from the investment portfolio of not less than a 2.5% yield, and to plan accordingly. The practice of looking at total returns and allocating a proportion of investment gains to supplement income may be fashionable at the moment but the approach cuts completely across the Trustees' over-arching priority of at least maintaining the real value of investment assets.

As regards ethical considerations, direct investment is not permitted in companies engaged principally in gambling, the manufacture and/or sale of tobacco products or armaments. The Charity additionally monitors investee companies, as far as practicable, in view of the wide spread of the portfolio, to ensure that they meet best practice in relation to their key stakeholders.

4.3 Investment performance

At the heart of the investment strategy is a firm commitment to asset allocation in order to balance the risk and reward of investing in the three principal asset classes of equities, property and cash.

The net assets of the Charity at the year end of £68.2m were invested as follows:-

	2019		2018	
	£m	%	£m	%
Listed investments	45.5	67	44.6	66
Property	10.0	15	9.9	15
Cash on deposit plus net current assets (inc. long term liabilities)	12.7	19	12.6	19
Total net assets	68.2	100	67.1	100

The listed investments comprise the equity portfolio which amounted to £45.5m at the year end (67% of net assets). For many years the portfolio has been managed by Mr Crispin Rope, assisted by Cavendish Asset Research, an FCA registered investment consultancy. Mr Rope continues to be responsible for all investment decisions but he has recently been relying more heavily on Barry Hadden of Cavendish Asset Research to implement investment policy. Since becoming Chairman of the Trustees, Ellen Jolly has been meeting regularly with Mr Rope who has now indicated that he wishes to step back from managing the investments. In line with the Charity's constitution, Trustees have agreed an Investment Committee be appointed to have delegated function in line with a new Statement of Investment Principles and Treasury, Policy and Finance Committees.

During the year the opportunity was taken to identify stocks that looked fully valued or which no longer look well placed to deliver growth. In total 21 holdings were sold or sold down, generating sale proceeds of £4.0m, which was reinvested to increase our existing holdings in several UK listed stocks and new holdings in global index tracker funds.

The investment philosophy which Mr Rope has always championed has been based on several simple investment principles. Stock picking for the portfolio aims to identify companies well placed to grow over a ten to twenty year period. Once picked, the intention is to hold stocks for the long term. In particular companies that have stable, often family ownership, show operational success over a sustained period and finance growth

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

without resource to high borrowing have been favoured. A strong competitive position and evidence of being managed with an eye to the long term are key drivers. In recent years many companies with global reach have positioned themselves to tap into emerging patterns of world growth, building strong businesses in emerging and less developed markets. The portfolio holds a high proportion of stock listed on international stock exchanges, particularly in Europe and Canada, but there is also strong representation for stocks listed in emerging markets through investment trusts. In addition the proportion of indexed tracker funds held within the portfolio has been increasing, there are now four index tracker holdings in the largest 20 investments held within the portfolio.

The following table lists the 20 largest equity investments as at the year end:

Company	Activity	Value £000
L&G UK Index Trust	Index tracker	4,285
Fisher (James) & Sons plc	Marine engineering	1,378
Jardine Matheson Holdings	Investment holding company	1,222
Jardine Strategic Holdings	Investment holding company	1,164
M P Evans Group plc	Food producer	1,136
Law Debenture Corporation plc	Investment trust	1,106
Investor AB	Industrial holding company	966
Aberdeen Div Income and Growth Trust	Investment trust	938
Scottish Oriental Smaller Co Trust plc	Investment trust	934
Canadian General Investments	Investment trust	922
Steris Corporation	Healthcare	877
National Bank of Canada	Bank	782
J P Morgan American Investment Trust	Investment trust	775
HSBC FTSE All World Tracker	Index tracker	738
North American Income Trust plc	Investment trust	715
Vanguard FTSE 250 Tracker	Index tracker	707
Legal & General plc	Financial services	652
Acadian Timber Corporation	Forestry	610
Trealt plc	Flavours and fragrances	593
Vanguard FTSE Dev Europe ex UK Tracker	Index tracker	552

These twenty holdings represent 46.3% (2018: 49.1%) of the listed investments.

Global stock markets rose steadily through most of the year as there was clear evidence of broadly based global growth accelerating, particularly in North America following Trump's tax cuts which acted as a huge fiscal boost for the US economy. After running for ten years few commentators believe that the bull market can run much further against the background of a number of significant headwinds. The key threats playing out are the moves by the Federal Reserve to raise interest rates, the disruption to world trade already being caused by the Trump trade wars, particularly with China but also with Europe and finally, the strength of the US dollar has been hurting the growth prospects for many emerging market economies. In September these fears came together and there were substantial falls in stock markets around the world. The Federal Reserve's decision to hold further interest rate increases and widespread evidence that the key American economy was still growing steadied world markets which have now recovered much of their lost ground, particularly in America. Although it looks as though prospects for further steady global growth are looking up, markets are likely to remain nervous and volatile in the face of these headwinds. The UK faces particular problems with Brexit which has undoubtedly damaged growth and investment and held back the UK stock market. Over the year our FTSE All Share benchmark increased by 3%. This performance fell well short of the gains recorded by the market in America but is similar to the increase in the world index which itself was pulled back by the poor performance of many emerging markets, particularly the key Chinese and Indian stock markets. The FTSE World ex UK Index increased by 2% over the year. The strong performance by the American market increased the S & P 500 Index by 9% over the year to 5th April 2019.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

The performance of the Charity portfolio over the year came in exactly in line with our benchmark with the portfolio returning 3% over the year to 5th April 2019. The portfolio's performance was driven by a strong showing from UK and European stocks but held back by the relatively low weighting of stocks in the key US market but also in the technology sector which has driven market growth over much of the last year. Fortunately our returns over the long term remain more impressive. Over the last ten years the equity portfolio has generated a positive capital return of 149% as compared to an increase in the FTSE All Share benchmark of 98%. While this demonstrates the success with which the capital has grown, some allowance should be made for inflation which has been 35% over the ten year period.

The commitment to holding the equity portfolio through periods of market uncertainty has been borne out by the returns delivered over the longer term. Although stock market nerves have, for the moment, settled further advances are not likely unless progress is made in resolving what has now become a broadly based trade dispute which has escalated from being a tariff issue to a more deep seated problem of market access and fair competition. Moreover, it remains to be seen whether stock markets can weather further US interest rate increases although increases are necessary to move towards normalising monetary policy. The Federal Reserve may move sooner rather than later to raise interest rates in order to rein in the inflationary pressures being caused by the rapid growth of the US economy. Finally, the strength of the US dollar continues to hurt many emerging market economies, the dollar needs to come back if we are to see broadly based growth resuming around the world.

Although the global economy has delivered steady growth for more than ten years, in developed countries, including in Europe and America, the pace of the recovery has been slower. A pattern of persistently poor productivity growth has led to a pause in the rise of living standards for most families while perversely there has also been a shift in income distribution towards those already earning high incomes. A consensus is emerging that the rewards of economic growth are flowing to the few and are no longer sufficiently broadly based. In several European countries this has led to the emergence of populist political parties which will undermine the chance of finding political consensus. The politically popular promise to relax austerity will push up public spending and place more pressure on governments to run deficits. The level of debt built up since the financial crisis by governments, and also companies, has soared and continues to pose a deep seated threat to the stability of western economies. Moreover, monetary policy has driven up the value of assets across the board, asset classes as diverse as bonds, equities and residential property have been driven to valuations well beyond their traditional fundamentals. In most world markets valuations are elevated and are now vulnerable to a significant market correction.

There has been a surprising willingness for world stock markets to set aside a worsening pattern of geo political problems facing politicians in the Pacific, Europe and the Middle East. There has, if anything, been a worsening of tension around specific "hot spots" in relations with Russia, North Korea and China. These deep seated political challenges may well play out peacefully but they pose heightened risks to stock markets and our economic prosperity.

Concern that the stock market faces heightened risks reinforces the importance of holding a significant cash buffer to guard against market setbacks. The cash balances continue to be managed with great care as the global banking system remains a concern. In Europe, many banks have yet to come fully to terms with losses standing on their loan books and further capital raising will be required to safeguard capital adequacy. Against this background the importance of considering credit risk and having a policy of spreading deposits between several highly regarded banks and building societies remains critical. In addition our cash balances are further diversified by our policy of holding UK Treasury Bills in order to place more risk on the UK government and away from bank balance sheets. At the year end UK Treasury Bills amounted to £6.0m (2018: £3.9m).

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

5.1 Constitution

The name of the Charity is the Mrs L D Rope Third Charitable Settlement, regulated by Trust Deed dated the 22nd October 1984, as amended by supplemental deed dated 23rd July 2004. The Trustees were incorporated under the name of "The Trustees of the Mrs L D Rope Third Charitable Settlement" by order of the Charity Commissioners on the 10th February 1994.

The Trust is a general charitable trust, but having regard to directions given or wishes expressed by the Founder, Mrs L D Rope. The expressed detailed Founder's wishes were written, most formally on 15th June 1993, 27th February 1995, 22nd May 1997 and 24th June 1999.

Capital is only to be distributed in the most exceptional of circumstances. Income is distributed at the Trustees' discretion subject to the Founder's Wishes.

The Trustees have wide powers of investment under the terms of the Trust Deed.

5.2 Appointment of Trustees

The policy for the selection of Trustees is based on the need to have individuals who have the ability as well as the inclination to lead and direct the Charity and build on the fine record of innovative grant making. The appointment of Trustees is currently made by C M Rope who holds the power to appoint. All Trustees other than Mr Rope are currently appointed for fixed terms. Attention is also given to Founder's Wishes in relation to having family members as Trustees where individuals with appropriate skills are available.

5.3 Policies adopted for the induction and training of trustees

On appointment new Trustees are given copies of all the Charity's fundamental documentation, copies of recent annual reports and the minutes of meetings of the Trustees, and some background information on Charity Law.

Training includes structured trustee training and seeing some of the Charity's property interests, participating in ongoing sessions on investment policy, and working with the Charity's staff in visits, etc., in connection with specific aspects of grant making.

5.4 Organisational structure and decision making

The key management personnel of the two legal entities comprising the group are the Trustees of the Charity and the Directors of Kesgrave Covenant Ltd.

Mrs Ellen Jolly, as Chair of the Trustees, has now taken the lead role in overseeing the Charity's management team. Crispin Rope remains a Trustee and continues to take a great interest in the Charity's affairs. Paul Jolly stepped down as a Trustee on 30 June 2018.

The Charity needs to employ sufficient staff to administer a broadly based programme of charitable giving while at the same time a breadth of skills are needed, including accounting and administration to support our charitable activities. The Trustees have always sought to employ high calibre people, to provide training to develop staff skills and to retain staff. Dr Anne Folan, as the Charity Manager – Grants and Governance, is responsible for running the Charity Office and the grant making programme to institutions. Mrs Gaye Wightman works with Miss Angela Tuck and Mrs Hazel Boardley on the Charity's programme of grant making for individuals. Mrs Sheila Oswald works part-time providing secretarial and general support. The Charity's staff, working to the objectives and procedures prescribed by the Trustees, undertake the Charity's work on a day to day basis, with the Trustees' providing oversight and governance. The Trustees recognise the contribution being

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

made by the staff to the success of the Charity. The Trustees would once again like to express their thanks to all members of the staff who are working so well together as a close knit team.

Staff salaries are reviewed annually in the context of the level of inflation and comparable salaries paid elsewhere.

5.5 Risk management

The Trustees have assessed the major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees actively participate in the assessment of risk which is considered, in terms of identifying any significant changes in risk, at all Trustee Boards. The risk management process addresses risk at three levels:-

- the process aims to identify and classify all sources and types of risk;
- triggering the necessary action to manage the risks, focusing on "major" risks;
- confirming that the remaining risk is consistent with the trustees' view of acceptable risk.

The Trustees document the risk assessment and action taken to mitigate risk in the Risk Register which provides a comprehensive risk profile of all the identified risks. Major risks that have been identified by the review process are as follows:

- The Trustees acknowledge the significance of Mr Rope's decision to step back from managing the investment portfolio. During the interim period, while Trustees consider alternative arrangements for the future management of the portfolio, the Investment Consultant appointed by the Charity will continue to advise on actions which can be authorised by Mrs E Jolly or Mr J P W Heal.
- The investment strategy is strictly monitored to control asset allocation between property, equity, bond and cash asset classes, but although diversification can diversify risk and provide a buffer for some risks, the Charity's investments are nonetheless inevitably exposed to the vagaries of world financial markets.
- The Charity takes great care in investing cash deposits, spreading deposits between banks and building societies and limiting investment to those with strong credit ratings, but nonetheless banking instability causing a bank with whom we have deposits to fail could leave the Charity exposed if government fails to stand behind a failed bank and make good the loss.
- The Charity's risk programme has resulted in a comprehensive insurance programme being put in place to cover public, employee and officer's liability and material damage risks but there is nonetheless a remote possibility that a claim, particularly where public liability is concerned, may not be fully insured, but it would be an "exceptional" claim.
- The Charity's grant making activities could in some way become controversial, leading to adverse publicity and damage to our reputation, thereby jeopardising our charitable operations. In particular, there is a danger that changing attitudes over time can lead to controversy, as we have seen with "child protection" and the Roman Catholic Church.
- Failure to comply with legislation, in particular new legislation such as GDPR, or existing policies such as Health and Safety at work, with the consequence that a failure to comply leaves the Charity or Trustees liable.

The Trustees have satisfied themselves that any actions necessary to manage the risks that have been identified have been taken and that any residual risk is acceptable. The Charity's risk profile is consistent with the level of risk that the Trustees are willing to accept.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2019

5.6 Funds held as custodian

No assets are held by the Charity for another charity. The shares in The Kesgrave Covenant Limited are held by Mr Crispin Rope and Mr Jeremy Heal in their capacity as Trustees on behalf of the Charity and the certificates are held by the Charity's solicitors for safe custody.

5.7 Equal opportunities policy

This policy covers all aspects of equal opportunities for employment and recruitment.

Trustees' responsibility statement

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 the group and of the incoming resources and application of resources of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 15 August 2019 and signed on their behalf by:



Mrs Ellen Mary Jolly
Trustee



Jeremy Phillip Winteringham Heal
Trustee

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

OPINION

We have audited the financial statements of The Mrs L D Rope Third Charitable Settlement (the 'parent charity') and its subsidiary (the 'group') for the year ended 5 April 2019 as set out on pages 24 to 53 comprising the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 5 April 2019 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent 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 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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

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 this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements which 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

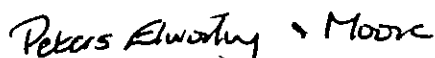
We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
16 August 2019

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2019**

	Note	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:					
Charitable activities	3	29,322	-	29,322	44,972
Income generated by subsidiary	13	-	4,944	4,944	49,473
Investments	2	1,496,654	16,755	1,513,409	1,481,022
TOTAL INCOME AND ENDOWMENTS		1,525,976	21,699	1,547,675	1,575,467
EXPENDITURE ON:					
Raising funds:					
Subsidiary trading costs		-	(371)	(371)	117,482
Investment management	4	94,685	85,429	180,114	182,385
Charitable activities	5	1,449,074	-	1,449,074	1,670,916
TOTAL EXPENDITURE		1,543,759	85,058	1,628,817	1,970,783
NET EXPENDITURE BEFORE INVESTMENT GAINS		(17,783)	(63,359)	(81,142)	(395,316)
Net gains on investments	13	-	1,174,328	1,174,328	748,625
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND (LOSSES)		(17,783)	1,110,969	1,093,186	353,309
Gains on revaluations of fixed assets	11	-	-	-	161,500
NET MOVEMENT IN FUNDS		(17,783)	1,110,969	1,093,186	514,809
RECONCILIATION OF FUNDS:					
Total funds brought forward		5,167,558	61,294,604	66,462,162	65,947,353
TOTAL FUNDS CARRIED FORWARD		5,149,775	62,405,573	67,555,348	66,462,162

The notes on pages 29 to 53 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2019**

	Note	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME AND ENDOWMENTS FROM:					
Charitable activities	3	29,322	-	29,322	44,972
Investments	2	<u>1,496,654</u>	<u>-</u>	<u>1,496,654</u>	<u>1,469,443</u>
TOTAL INCOME AND ENDOWMENTS		<u>1,525,976</u>	<u>-</u>	<u>1,525,976</u>	<u>1,514,415</u>
EXPENDITURE ON:					
Raising funds:					
Investment management	4	94,685	85,429	180,114	182,385
Charitable activities	5	<u>1,449,074</u>	<u>-</u>	<u>1,449,074</u>	<u>1,670,916</u>
TOTAL EXPENDITURE		<u>1,543,759</u>	<u>85,429</u>	<u>1,629,188</u>	<u>1,853,301</u>
NET (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		(17,783)	(85,429)	(103,212)	(338,886)
Net gains on investments	13	<u>-</u>	<u>1,174,328</u>	<u>1,174,328</u>	<u>667,491</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND (LOSSES)		(17,783)	1,088,899	1,071,116	328,605
Gains on revaluations of fixed assets	11	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,500</u>
NET MOVEMENT IN FUNDS		(17,783)	1,088,899	1,071,116	490,105
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>5,167,558</u>	<u>61,930,259</u>	<u>67,097,817</u>	<u>66,607,712</u>
TOTAL FUNDS CARRIED FORWARD		<u>5,149,775</u>	<u>63,019,158</u>	<u>68,168,933</u>	<u>67,097,817</u>

All activities relate to continuing operations.

The notes on pages 29 to 53 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CONSOLIDATED BALANCE SHEET
AS AT 5 APRIL 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		3,449,751		3,453,785
Investments	13	61,504,467		60,923,294	
Programme related investments	12	40,000		60,000	
Total investments			61,544,467		60,983,294
			64,994,218		64,437,079
CURRENT ASSETS					
Debtors	14	1,470,980		1,483,934	
Cash at bank and in hand		2,456,909		2,280,624	
		3,927,889		3,764,558	
CREDITORS: amounts falling due within one year	15	(645,077)		(828,798)	
NET CURRENT ASSETS			3,282,812		2,935,760
TOTAL ASSETS LESS CURRENT LIABILITIES			68,277,030		67,372,839
CREDITORS: amounts falling due after more than one year	16		(89,427)		(192,681)
Deferred tax	18	(13,301)		(13,301)	
Provisions for liabilities	19	(618,954)		(704,695)	
			(632,255)		(717,996)
NET ASSETS			67,555,348		66,462,162
CHARITY FUNDS					
Endowment funds	20		62,405,573		61,294,604
Unrestricted funds	20		5,149,775		5,167,558
TOTAL FUNDS			67,555,348		66,462,162

The financial statements were approved by the Trustees on 15 August 2019 and signed on their behalf, by:


Mrs Ellen Mary Jolly


Jeremy Philip Winteringham Heal

The notes on pages 29 to 53 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CHARITY BALANCE SHEET
AS AT 5 APRIL 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	11		3,449,751		3,453,785
Investments	13	63,258,333		62,677,160	
Programme related investments	12	40,000		60,000	
Total investments			63,298,333		62,737,160
			66,748,084		66,190,945
CURRENT ASSETS					
Debtors	14	1,442,508		1,442,956	
Cash at bank		546,035		297,116	
		1,988,543		1,740,072	
CREDITORS: amounts falling due within one year	15	(478,267)		(640,519)	
NET CURRENT ASSETS			1,510,276		1,099,553
TOTAL ASSETS LESS CURRENT LIABILITIES			68,258,360		67,290,498
CREDITORS: amounts falling due after more than one year	16		(89,427)		(192,681)
NET ASSETS			68,168,933		67,097,817
CHARITY FUNDS					
Endowment funds	21		63,019,158		61,930,259
Unrestricted funds	21		5,149,775		5,167,558
TOTAL FUNDS			68,168,933		67,097,817

The financial statements were approved by the Trustees on 15 August 2019 and signed on their behalf, by:



Mrs Ellen Mary Jolly



Jeremy Phillip Winteringham Heal

The notes on pages 29 to 53 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	24	(1,948,221)	(1,746,757)
Cash flows from investing activities:			
Dividends, interest and rents from investments	3	1,513,409	1,481,022
Proceeds from programme related investments	12	20,000	20,000
Purchase of tangible fixed assets	11	(2,058)	(3,169)
Net proceeds from sale of investments	13	593,155	190,313
Net cash provided by investing activities		2,124,506	1,688,166
Change in cash and cash equivalents in the year		176,285	(58,591)
Cash and cash equivalents brought forward		2,280,624	2,339,215
Cash and cash equivalents carried forward	25	2,456,909	2,280,624

The notes on pages 29 to 53 form part of these financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The 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. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Mrs L D Rope Third Charitable Settlement constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 GOING CONCERN

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Expendable endowment funds are funds which provide the trustees with a power to convert all or part of the gift into income. The income and expenditure generated from/by the endowment gift are to be allocated to the endowment fund.

Investment income, gains and losses are allocated to the appropriate fund.

The aim and use of each fund is set out in the notes to the financial statements.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability with the exception of certain investment income referred to below.

Donated facilities are included at the Trustees best estimate of the value to the Charity. No amounts are included for services donated by volunteers.

Interest is accounted for on an accruals basis and is shown inclusive of the recoverable income tax.

Income from Grange Farm Landowners is accounted for when notified of a receipt with the exception of rental income which is recognised on an accruals basis.

Dividend income is accounted for in the period within which the Charity is entitled to receipt. Income from property funds are recognised by reference to the payment date and are shown inclusive of recoverable UK income tax.

Income from investment properties is recognised on an accruals basis.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Overhead and support costs have been allocated between costs of generating funds, charitable activities and governance. Staff costs are allocated on the basis of a best estimate of time spent by each member of staff and their cost on each activity. Similarly other costs are allocated on the basis of the purpose of the expenditure. The allocation of overheads and support costs is analysed in the notes to the financial statements.

Costs of raising funds consist of the costs of managing the investment portfolio and investment property together with the property development costs of the trading subsidiary.

Costs of charitable activities include grant making and an apportionment of overhead, support costs and governance costs. Grants for institutions are recognised when the offer is indicated to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Grants for individuals can not be quantified at the time a commitment is made and they are therefore accounted for when paid. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings are included in the Balance Sheet at cost with the exception of the freehold and the leasehold flats let for charitable purposes that are at fair value and the car park for which a previous revaluation has been used as deemed cost. The Trustees carry out an annual impairment review and consequently no depreciation is charged on buildings as their estimated value is not less than their carrying cost.

Office equipment costing more than £250 is capitalised and included in the Balance Sheet at historic cost.

Depreciation is provided on a straight line basis at a rate of between one sixth and one tenth of cost per annum.

1.7 INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investment property is carried at fair value determined annually by the Trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

The unquoted property funds are valued at the mid market unit price nearest to the balance sheet date.

Programme related or social investments are initially recognised and measured at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

The interest in the subsidiary is included at fair value by the Trustees.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. ACCOUNTING POLICIES (continued)

1.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 CASH AT BANK AND IN HAND

Cash at bank and 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.

1.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

1. ACCOUNTING POLICIES (continued)

1.13 FOREIGN CURRENCIES

The charity's functional and presentational currency is GBP.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.14 PENSIONS

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

1.15 UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The key areas in the financial statements where these judgements and estimates have been made are as follows:

- Depreciation on fixed assets. Depreciation is estimated based on the useful economic life of the assets.
- Estimation of provisions. Provisions are estimated based on expected costs to meet obligations to perform certain works in respect of previously completed land sales
- Fair value of investments. Investments are estimated based on fair value using the closing quoted market price.
- Grants accrued payable in more than one year. Grants payable in more than year are estimated based on future grantee needs.
- Fair value of fixed assets. Fixed assets held at fair value are estimated based on fair value using professional advice.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

2. INVESTMENT INCOME

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment properties	208,097	2,800	210,897	207,913
Dividends and distributions from UK listed investments	804,965	-	804,965	792,297
Dividends and distributions from overseas listed investments	415,578	-	415,578	404,629
Dividends and distributions from unlisted investments	21,888	-	21,888	21,201
Interest on cash held within investment assets	43,161	13,955	57,116	51,982
Interest on current asset deposits	2,965	-	2,965	3,000
	<u>1,496,654</u>	<u>16,755</u>	<u>1,513,409</u>	<u>1,481,022</u>
Total 2018	<u>1,469,443</u>	<u>11,579</u>	<u>1,481,022</u>	

All endowment investment income relates to the the trading subsidiary (2018 - £16,755).

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Notional rent from charitable tenants	7,070	7,070	7,382
Letting of non investment property	22,252	22,252	37,590
	<u>29,322</u>	<u>29,322</u>	<u>44,972</u>
Total 2018	<u>44,972</u>	<u>44,972</u>	

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment property expenses	56,514	-	56,514	58,575
Stockbrokers fees	4,511	40,600	45,111	46,776
Investment and legal fees	7,966	34,736	42,702	46,338
Support costs (note 7)	25,694	10,093	35,787	30,696
	<u>94,685</u>	<u>85,429</u>	<u>180,114</u>	<u>182,385</u>
Total 2018	<u>95,779</u>	<u>86,606</u>	<u>182,385</u>	

5. CHARITABLE ACTIVITIES

	Direct activities 2019 £	Grant funding of activities 2019 £	Support and governance costs 2019 £	Total 2019 £	Total 2018 £
Grant making (note 6&7)	-	1,186,521	224,726	1,411,247	1,643,542
Provision of accommodation	35,945	-	-	35,945	19,915
Church costs	1,882	-	-	1,882	7,459
Total 2019	<u>37,827</u>	<u>1,186,521</u>	<u>224,726</u>	<u>1,449,074</u>	<u>1,670,916</u>
Total 2018	<u>27,374</u>	<u>1,422,214</u>	<u>221,328</u>	<u>1,670,916</u>	

In 2018 all of the expenditure from charitable activities was attributable to unrestricted income funds.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

6. ANALYSIS OF GRANTS

	Grants to Institutions 2019 £	Grants to Individuals 2019 £	Total 2019 £	Total 2018 £
Grants (net of sums written back)	462,831	723,690	1,186,521	1,422,214
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2018	796,468	625,746	1,422,214	
	<u> </u>	<u> </u>	<u> </u>	

Analysis of grants by charitable purpose (by number and amount) for the year ended 5 April 2019:

	Grants to Institutions Number	Grants to Individuals Number	Grants to Institutions £	Grants to Individuals £
Relief of poverty	125	3,132	420,988	723,690
Advancement of education	10	-	(19,500)	-
Advancement of religion	4	-	24,500	-
Public and other charitable purposes	48	-	36,843	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2019	187	3,132	462,831	723,690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Analysis of grants by charitable purpose (by number and amount) for the year ended 5 April 2018:

	Grants to Institutions Number	Grants to Individuals Number	Grants to Institutions £	Grants to Individuals £
Relief of poverty	62	2,960	303,834	625,746
Advancement of education	16	-	111,067	-
Advancement of religion	9	-	48,250	-
Public and other charitable purposes	129	-	333,317	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2018	216	2,960	796,468	625,746
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

7. SUPPORT COSTS

	Investment management costs (note 4)	Grant making (note 5)	Governance (note 5)	Total 2019	Total 2018
	£	£	£	£	£
Trustees' expenses	2,190	1,643	1,643	5,476	6,809
Legal fees	15,603	15,079	13,151	43,833	39,910
Auditors' remuneration	-	15,900	-	15,900	15,060
Insurance	-	4,026	-	4,026	4,061
Subscriptions and publication	2,064	1,321	1,322	4,707	4,517
Accountancy fees	5,644	2,822	2,822	11,288	9,284
Office costs	4,634	9,892	21,018	35,544	37,729
Costs recharged to external entities	-	(13,150)	-	(13,150)	(15,875)
Wages and salaries	3,754	29,566	85,226	118,546	116,882
National insurance	228	2,225	8,646	11,099	10,726
Pension cost	756	4,206	12,190	17,152	16,519
Depreciation	914	1,523	3,655	6,092	6,402
	<u>35,787</u>	<u>75,053</u>	<u>149,673</u>	<u>260,513</u>	<u>252,024</u>
Total 2018	<u>30,696</u>	<u>70,705</u>	<u>150,623</u>	<u>252,024</u>	

In 2019 and 2018 all Governance costs were allocated to Grant making.

8. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £17,950 (2018 - £17,540), and fees for other services of £1,816 (2018 - £5,889). The Audit fee for the parent charity is £12,850 (2017 - £12,540).

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

9. STAFF COSTS, KEY MANAGEMENT REMUNERATION AND TRUSTEES' REMUNERATION AND EXPENSES

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	118,546	116,882
Social security costs	11,099	10,726
Other pension costs	17,152	16,519
	<u>146,797</u>	<u>144,127</u>

The average monthly number of employees was: 5 (2018: 5) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

2019 No.	2018 No.
4	4

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the trustees of the Charity and the directors of the wholly owned subsidiary The Kesgrave Covenant Limited.

Mr C M Rope, Mrs E M Jolly and Mr P A Jolly received no remuneration.

A total of £5,176 (2018: £5,207) was reimbursed to Mr C M Rope during the year in respect of travel, phone and other expenses. In addition at the year end there was an accrual of £1,294 (2018: £1,320) for further expenses reimburseable to Mr C M Rope.

Mr J P W Heal, consultant, and Mrs C S J Scott, partner, both at Messrs Howes Percival LLP solicitors, received no remuneration directly or reimbursed expenses. Howes Percival's fees for legal services are charged on an arm's length basis. Total fees payable to Messrs Howes Percival LLP incurred by the Charity were £43,853 (2018: £39,866) which includes both revenue and capital, of which £3,000 (2018: £3,000) was outstanding at the year end. The Charity bears a share of fees paid by Grange Farm Landowners which amounted to £NIL (2018: £NIL). The subsidiary incurred Howes Percival fees of £32,902 (2018: £54,649) in the course of the business of the company of which £2,852 (2018: £NIL) was accrued at the year end.

During the year, no directors of the subsidiary received any remuneration (2018: £NIL).

Pension costs relate to contributions to money purchase schemes in respect of five employees (2018: five).

10. TAXATION

The charity is exempt from tax on income and gains falling within sections 521 to 536 of the Income Tax Act 2007 and Section 256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

11. TANGIBLE FIXED ASSETS

GROUP AND CHARITY COST OR VALUATION	Freehold land and property £	Long-term leasehold property £	Office equipment £	Total £
At 6 April 2018	3,316,333	114,000	93,144	3,523,477
Additions	-	-	2,058	2,058
At 5 April 2019	3,316,333	114,000	95,202	3,525,535
DEPRECIATION				
At 6 April 2018	-	-	69,692	69,692
Charge for the year	-	-	6,092	6,092
At 5 April 2019	-	-	75,784	75,784
NET BOOK VALUE				
At 5 April 2019	3,316,333	114,000	19,418	3,449,751
At 5 April 2018	3,316,333	114,000	23,452	3,453,785

12. PROGRAMME RELATED INVESTMENTS

GROUP AND CHARITY MARKET VALUE	Total £
At 6 April 2018	60,000
Repayments during the year	(20,000)
At 5 April 2019	40,000
At 5 April 2018	60,000

PROGRAMME RELATED INVESTMENTS COMPRISE:

	Loan 2019 £	Total 2018 £
Loan for the advancement of religion	40,000	60,000

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

13. FIXED ASSET INVESTMENTS

GROUP	Unquoted property funds £	Listed investments £	Cash and fixed interest deposits £	Unlisted investment £	Investment properties £	Total £
MARKET VALUE						
At 6 April 2018	601,243	44,600,584	11,609,233	96,134	4,016,100	60,923,294
Additions	-	3,765,460	-	-	1,557	3,767,017
Disposal (proceeds - £4,018,370)	-	(3,763,950)	-	-	-	(3,763,950)
Revaluations	34,315	862,522	23,071	-	-	919,908
Cash movement	-	-	(341,802)	-	-	(341,802)
At 5 April 2019	635,558	45,464,616	11,290,502	96,134	4,017,657	61,504,467

CHARITY	Unquoted property funds £	Listed investments £	Cash held in portfolio £	Unlisted investment £	Investment properties £	Total £
MARKET VALUE						
At 6 April 2018	601,243	44,600,584	11,609,233	1,850,000	4,016,100	62,677,160
Additions	-	3,765,460	-	-	1,557	3,767,017
Disposal (proceeds - £4,018,370)	-	(3,763,950)	-	-	-	(3,763,950)
Revaluations	34,315	862,522	23,071	-	-	919,908
Cash movement	-	-	(341,802)	-	-	(341,802)
At 5 April 2019	635,558	45,464,616	11,290,502	1,850,000	4,017,657	63,258,333

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

13. FIXED ASSET INVESTMENTS (continued)

KESGRAVE COVENANT LIMITED

The Charity's unlisted investment represents the whole of the issued share capital of Kesgrave Covenant Limited which is a trading company incorporated in England included in the expendable endowment. The investment was valued at 5 April 2018 by the Trustees. The Company is concerned with the operational aspects of land and building development opportunities. The company reported a profit after tax of £22,070 (2018: £39,604). No gift aid payment was made during the year (2018: £Nil). The following is a summary of the results of the subsidiary : -

Profit and loss account:

	2019 £	2018 £
Turnover	4,944	49,473
Cost of sales	36,084	(36,936)
Gross profit	41,028	12,537
Administrative expenses	(27,065)	(73,573)
Other operating income	2,800	2,800
Other interest receivable and similar income	13,955	8,779
Fair value movements	-	96,034
Profit before tax	30,718	46,577
Tax on ordinary activities	(8,648)	(6,973)
Profit for the year	22,070	39,604
Assets	2,053,632	2,129,079
Liabilities	(817,217)	(914,734)
Net assets carried forward	1,236,415	1,214,345

The subsidiary has been consolidated on a line by line basis in the SOFA. The results include transactions with the Charity that have been eliminated on consolidation.

The Group unlisted investment represents the value of a minority shareholding in Carlford Construction Limited held by Kesgrave Covenant Limited.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019

13. FIXED ASSET INVESTMENTS (continued)

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by taking investment advice and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

14. DEBTORS

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	36,652	16,886	8,862	414
Grange Farm Landowners	1,253,835	1,252,766	1,253,835	1,252,766
Taxation and social security	1,415	1,770	1,415	1,770
Other debtors	-	11,803	-	-
Prepayments and accrued income	179,078	200,709	178,396	188,006
	1,470,980	1,483,934	1,442,508	1,442,956

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	66,835	87,833	1,413	-
Amounts owed to group undertakings	-	-	6,050	-
Corporation tax	7,155	-	-	-
Taxation and social security	1,545	1,364	-	-
Other creditors	115,534	129,356	30,598	43,595
Accruals	61,635	71,453	47,833	58,132
Grants accrued (see Note 17)	392,373	538,792	392,373	538,792
	645,077	828,798	478,267	640,519

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
Grants accrued (see Note 17)	89,427	192,681	89,427	192,681

17. GRANTS ACCRUED

	Institutional grants 2019 £
Grants accrued at 6 April 2018	731,472
New commitments made in the year	587,719
Commitments cancelled during the year	(124,887)
Commitments paid during the year	(712,504)
Grants accrued at 6 April 2019	481,800

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

18. DEFERRED TAXATION

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
At beginning and end of year	13,301	13,301	-	-

The provision for deferred taxation is made up as follows:

	GROUP		CHARITY	
	2019	2018	2019	2018
	£	£	£	£
Unrealised gains on investments	16,326	16,326	-	-
Tax losses brought forward	(3,025)	(3,025)	-	-
	13,301	13,301	-	-

19. PROVISIONS

GROUP	Provisions £
At 6 April 2018	704,695
Additions	26,133
Amounts used	(41,874)
Reversed during the year	(70,000)
At 5 April 2019	618,954

PROVISIONS

The Kesgrave Covenant Limited has obligations to perform certain works in respect of previously completed land sales. The work is not expected to be completed within the forthcoming financial year.

The Charity has no provisions.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

20. STATEMENT OF FUNDS - GROUP

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 6 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2019 £
DESIGNATED FUNDS					
Church fund	125,000	-	-	-	125,000
Unrestricted designated fund	3,150,208	-	-	-	3,150,208
Unrestricted designated fund - fixed asset revaluation reserve	280,125	-	-	-	280,125
	<u>3,555,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,555,333</u>
GENERAL FUNDS					
General Funds	1,612,225	1,525,976	(1,543,759)	-	1,594,442
Total Unrestricted funds	<u>5,167,558</u>	<u>1,525,976</u>	<u>(1,543,759)</u>	<u>-</u>	<u>5,149,775</u>
ENDOWMENT FUNDS					
Expendable endowment	60,080,259	-	(85,429)	1,174,328	61,169,158
Trading subsidiary	1,214,345	21,699	371	-	1,236,415
	<u>61,294,604</u>	<u>21,699</u>	<u>(85,058)</u>	<u>1,174,328</u>	<u>62,405,573</u>
Total of funds	<u>66,462,162</u>	<u>1,547,675</u>	<u>(1,628,817)</u>	<u>1,174,328</u>	<u>67,555,348</u>

The Expendable Endowment Fund represents the assets which are held permanently by the Charity. The Founder expressed the strong wish that this fund should not be spent except in the most exceptional circumstances. The cost of investment management and administration is charged to the fund. All realised and unrealised gains and losses on investment assets are accounted for in the fund. Income generated by the assets of the fund is available for utilisation by the Unrestricted Fund and has accordingly been included in that Fund.

Unrestricted General Funds are funds which the Trustees are free to use in accordance with the charitable objectives.

The Church Maintenance Fund comprises funds held in readiness for the maintenance of Kesgrave Catholic Church.

The Unrestricted Designated Fund comprises amounts set aside to fund buildings held for charitable use including Kesgrave Catholic Church, property let for charitable purposes and the Charity offices and consequently the Fund is not available for distribution. All unrealised gains and losses on revaluation are accounted for in the Unrestricted designated fund - revaluation reserve.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

20. STATEMENT OF FUNDS - GROUP (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 6 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2018 £
DESIGNATED FUNDS					
Church fund	125,000	-	-	-	125,000
Unrestricted designated fund	3,150,208	-	-	-	3,150,208
Unrestricted designated fund - fixed asset revaluation reserve	118,625	-	-	161,500	280,125
	<u>3,393,833</u>	<u>-</u>	<u>-</u>	<u>161,500</u>	<u>3,555,333</u>
GENERAL FUNDS					
General Funds	1,864,505	1,514,415	(1,766,695)	-	1,612,225
Total Unrestricted funds	<u>5,258,338</u>	<u>1,514,415</u>	<u>(1,766,695)</u>	<u>161,500</u>	<u>5,167,558</u>
ENDOWMENT FUNDS					
Expendable endowment	59,499,374	-	(86,606)	667,491	60,080,259
Trading subsidiary	1,189,641	61,052	(117,482)	81,134	1,214,345
	<u>60,689,015</u>	<u>61,052</u>	<u>(204,088)</u>	<u>748,625</u>	<u>61,294,604</u>
Total of funds	<u>65,947,353</u>	<u>1,575,467</u>	<u>(1,970,783)</u>	<u>910,125</u>	<u>66,462,162</u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

21. STATEMENT OF FUNDS - CHARITY

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 6 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2019 £
DESIGNATED FUNDS					
Church fund	125,000	-	-	-	125,000
Unrestricted designated fund	3,150,208	-	-	-	3,150,208
Unrestricted designated fund - fixed asset revaluation reserve	280,125	-	-	-	280,125
	<u>3,555,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,555,333</u>
GENERAL FUNDS					
General Funds	<u>1,612,225</u>	<u>1,525,976</u>	<u>(1,543,759)</u>	<u>-</u>	<u>1,594,442</u>
Total Unrestricted funds	<u>5,167,558</u>	<u>1,525,976</u>	<u>(1,543,759)</u>	<u>-</u>	<u>5,149,775</u>
ENDOWMENT FUNDS					
Expendable endowment	61,930,259	-	(85,429)	1,174,328	63,019,158
	<u>61,930,259</u>	<u>-</u>	<u>(85,429)</u>	<u>1,174,328</u>	<u>63,019,158</u>
Total of funds	<u>67,097,817</u>	<u>1,525,976</u>	<u>(1,629,188)</u>	<u>1,174,328</u>	<u>68,168,933</u>

See note 20 for information on the nature of each of the above funds.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

21. STATEMENT OF FUNDS – CHARITY (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 6 April 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2018 £
DESIGNATED FUNDS					
Church fund	125,000	-	-	-	125,000
Unrestricted designated fund	3,150,208	-	-	-	3,150,208
Unrestricted designated fund - fixed asset revaluation reserve	118,625	-	-	161,500	280,125
	<u>3,393,833</u>	<u>-</u>	<u>-</u>	<u>161,500</u>	<u>3,555,333</u>
GENERAL FUNDS					
General Funds	<u>1,864,505</u>	<u>1,514,415</u>	<u>(1,766,695)</u>	<u>-</u>	<u>1,612,225</u>
Total Unrestricted funds	<u>5,258,338</u>	<u>1,514,415</u>	<u>(1,766,695)</u>	<u>161,500</u>	<u>5,167,558</u>
ENDOWMENT FUNDS					
Expendable endowment	61,349,374	-	(86,606)	667,491	61,930,259
	<u>61,349,374</u>	<u>-</u>	<u>(86,606)</u>	<u>667,491</u>	<u>61,930,259</u>
Total of funds	<u>66,607,712</u>	<u>1,514,415</u>	<u>(1,853,301)</u>	<u>828,991</u>	<u>67,097,817</u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

22. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,449,751	-	3,449,751
Fixed asset investments	252,476	61,251,991	61,504,467
Programme related investments	40,000	-	40,000
Current assets	1,984,321	1,943,568	3,927,889
Creditors due within one year	(474,045)	(171,032)	(645,077)
Creditors due in more than one year	(89,427)	-	(89,427)
Provisions for liabilities and charges	(13,301)	(618,954)	(632,255)
	<u>5,149,775</u>	<u>62,405,573</u>	<u>67,555,348</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	3,453,785	-	3,453,785
Fixed asset investments	1,999,667	58,923,627	60,923,294
Programme related investments	60,000	-	60,000
Current assets	480,977	3,283,581	3,764,558
Creditors due within one year	(634,190)	(194,608)	(828,798)
Creditors due in more than one year	(192,681)	-	(192,681)
Provisions for liabilities and charges	-	(717,996)	(717,996)
	<u>5,167,558</u>	<u>61,294,604</u>	<u>66,462,162</u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019

23. ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,449,751	-	3,449,751
Fixed asset investments	239,175	63,019,158	63,258,333
Programme related investments	40,000	-	40,000
Current assets	1,988,543	-	1,988,543
Creditors due within one year	(478,267)	-	(478,267)
Creditors due in more than one year	(89,427)	-	(89,427)
	<u>5,149,775</u>	<u>63,019,158</u>	<u>68,168,933</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	3,453,785	-	3,453,785
Fixed asset investments	746,901	61,930,259	62,677,160
Programme related investments	60,000	-	60,000
Current assets	1,740,072	-	1,740,072
Creditors due within one year	(640,519)	-	(640,519)
Creditors due in more than one year	(192,681)	-	(192,681)
	<u>5,167,558</u>	<u>61,930,259</u>	<u>67,097,817</u>

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP	
	2019	2018
	£	£
Net income for the year (as per Statement of Financial Activities)	1,093,186	353,309
Adjustment for:		
Depreciation charges	6,092	6,404
Gains on investments	(1,174,328)	(748,625)
Dividends, interest and rents from investments	(1,513,409)	(1,481,022)
(Decrease)/increase in provisions	(85,741)	20,585
Decrease in stocks	12,954	69,340
(Decrease)/increase in creditors	(286,975)	33,252
Net cash used in operating activities	(1,948,221)	(1,746,757)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP	
	2019	2018
	£	£
Cash in hand	2,456,909	2,280,624
Total	2,456,909	2,280,624

26. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £17,152 (2018 - £16,519). Contributions totalling £NIL (2018 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

THE MRS L D ROPE THIRD CHARITABLE SETTLEMENT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2019**

27. RELATED PARTY TRANSACTIONS

	Transactions during the year 2019 £	Year end balance 2019 £	Transactions during the year 2018 £	Year end balance 2018 £
WO & PO Jolly Holdings Limited (Group)				
Administrative expenses recharged	7,150	-	6,800	-
Rental income	6,500	6,500	6,500	-
Property support, administration and accountancy services	(14,867)	-	(20,108)	-
Mr C M Rope				
Administrative expenses recharged	500	-	1,875	-
Loan	-	(30,598)	-	(30,598)
Investments held on behalf of the charity	-	280,027	-	295,303
Grange Farm Landowners				
Rent received (share)	52,004	-	50,455	-
Interest received (share)	7,024	-	7,739	-
Investment property costs (share)	(7,037)	-	(7,148)	-
Costs (share)	(5,650)	-	(6,203)	-
Distributions (share)	50,750	-	52,500	-
Administrative expenses recharged	1,850	-	1,900	-
Investment properties (share)	-	915,617	-	914,060
Cash at bank (share)	-	1,253,835	-	1,252,766

Mr C M Rope and Mrs E M Jolly are directors of W O & P O Jolly Holdings Limited whose subsidiary is WO & PO Jolly (Ipswich) Limited. There are recharges between the two entities in respect of administration, rent received, utilities and document storage from W O & P O Jolly Holdings Limited, and the charity was recharged accountancy and administration services by the company but at a rate below the market value of those services.

Mr C M Rope, trustee, holds shares in a company in his own name on behalf of the charity. The quoted company does not permit shares to be held other than by individuals.

The Mrs L D Rope Third Charitable Settlement has a beneficial interest in a bare trust, Grange Farm Landowners of which Mr C M Rope is a trustee, which holds interests in land. The charity also recognised its proportion of Grange Farm Landowners' income and costs. The charity received recharged administrative expenses and its share of Grange Farm Landowners' distributions.