

THE THREE GUINEAS TRUST

ANNUAL REPORT

5 APRIL 2019

The Peak
5 Wilton Road
London SW1V 1AP

THE THREE GUINEAS TRUST

CONTENTS	PAGE
1 The Trustees' Report	2-7
2 Statement of Financial Activities	8
3 Balance Sheet	9
4 Cash Flow Statement	10
5 Notes to the Accounts	11-18
6 Statement of Trustees' Responsibilities	19
7 Independent Auditors' Report	20-22

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES

Legal and Administrative

The Three Guineas Trust (No. 1059652) was established under a Trust Deed dated 21 November 1996 and became a registered charity on 9 December 1996.

Trustees	C N Sainsbury (Settlor) D Wood D Flynn	
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP	
Principal Officers	A Bookbinder R Bell K Everett M Williams	Director (to 31 August 2018) Director (from 1 September 2018) Finance Director Executive
	Principal officers are employed part-time	
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD	
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ	
Auditors	Crowe U.K. LLP St Bride's House, 10 Salisbury Square London EC4Y 8EH	
Investment Managers	Cazenove Capital Management 12 Moorgate London EC2R 6DA	
Investment Powers	The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within guidelines established by the Trustees.	
Objects	The objects of the Trust as given in the Trust Deed are for general charitable purposes.	

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Organisation

The Trust is one of the Sainsbury Family Charitable Trusts which share a common administration. The remuneration of the senior staff (including key management personnel) is reviewed by the Trustees on an annual basis taking into account the requirements of their role and performance during the year. From time to time the SFCT Management Committee benchmarks pay levels against the comparable positions in similar organisations.

Trustees are appointed by the existing Trustees and are provided with relevant information relating to their responsibilities as Trustees.

The Trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Charity has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

The Trust and its Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016. The Trust does not raise funds from the public and as such has no fundraising activities requiring disclosure under SI 62A of the Charities Act 2011.

Scope of Grant-making

The Trustees accept applications for practical projects in the field of autism. Proposals are considered alongside those that result from their own research and contacts with expert individuals and organisations working in this field. The Trustees are keen that schemes supporting adults and young people on the autistic spectrum include service users in decision-making. Trustees do not generally fund research into autism. Grants are not normally made to individuals.

In 2014, the Trustees began to explore the field of disability, violence and access to justice. This year they made four new grants in this area. Trustees expect to fund other carefully chosen projects in this field in due course.

Reserves Policy

The Trustees are ready to fund grant commitments from expendable endowment whenever this may be necessary in the future. In the year under review, there was a transfer from expendable endowment of £1,018,606 (2018: £899,630) to clear the deficit on unrestricted funds.

Although some grants have been accrued, others totalling £233,783 have not been provided for in the Statement of Financial Activities as they are due to be paid more than twelve months after the year end. They represent funds earmarked for continued support to certain existing beneficiaries where formal commitments have been made but the conditions had not yet been met at the balance sheet date.

The Trustees regularly review cash flow projections for income and expenditure, to ensure that the level of disposable net assets is adequate and that the Trust is in a position to meet all its commitments. As at 5 April 2019, the Trust held total funds of £26.5 million (2018: £25.2 million).

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Investment Policy and Performance

The Trust's expendable endowment is invested in funds which comply with guidelines for socially and environmentally responsible investing, in compliance with the conditions of the Settlor under which the assets were gifted to the Trust. The Trustees regularly meet the investment manager to discuss strategy and review performance. The Trustees will continue to monitor performance against relevant indices but do not seek to track any particular index.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, adequate systems are in place to manage such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

The Trustees have identified as a key risk the misuse of funds by a grantee charity. To mitigate this risk, the Trustees normally restrict grants to charities registered with the UK Charity Commission or equivalent bodies. The awards are made following a thorough assessment and grants are regularly monitored; multi-year grants are paid only on receipt of satisfactory progress reports.

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. They consider the full information which follows in this annual report, about the Trust's aims, activities and achievements in the many areas of interest that the Trust supports demonstrates the benefit to its beneficiaries and through them to the Public that arise from those activities.

Financial Review

The Trustees met twice during the year to make grants and to review investments.

The asset value of the Trust increased from £25.2 million at 5 April 2018 to £26.5 million at 5 April 2019. The rise of 5.3% in value was attributed to a contribution from the settlor, including gift aid, together with the gains recorded on the Trust's investment portfolio.

Total incoming resources on unrestricted funds for the year were £401,580 (2018: £404,085), a 0.6% decrease on the previous year.

During the year the Trustees approved 28 grants totalling £1,151,773 some payable over more than one year. At the end of the year, outstanding grant payments which are not provided for in the accounts amounted to £233,783 (see note 4).

The table below shows grants approved and payments made. Payments made relate to grants approved in this and earlier years.

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

	Grants approved		Grants paid	
	Number	£	Number	£
Autism	24	375,553	33	532,823
Disability, Violence and Access to Justice	4	776,220	20	819,210
General	-	-	1	1,500
	28	1,151,773	54	1,353,533

Future Plans

The Trust will continue to support activities described above by the award of grants.

Advisers

In the year under review the Trustees were advised by:

Professor Uta Frith
Bethan Rigby
John Pring

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Grants Approved

Autism - £375,553

Assert - £108,000

Towards core costs.

Sunbeams Play - £50,000

Towards running costs.

Supertroop - £10,000

Towards the summer residential scheme.

University of Bath - £30,000

Towards the Autism summer school.

Grants were also made to the following beneficiaries towards summer activity programmes for children with autism:

	£
Autism Bedfordshire	£10,000
Blackpool Tiggers	£10,000
Brentford FC Community Sports Trust	£9,932
Disabilities & Self-Help (DASH)	£10,000
Dreadnought Centre	£10,000
Halton Autistic Family Support Group	£10,000
Helping Hands Autism Support Group	£5,000
Hillingdon Autistic Care and Support	£9,600
KIDS Yorkshire & Humber	£10,000
KIDS Lincolnshire	£5,000
Killamarsh Autistic and PDA Support Group	£10,000
Kirkleatham SNAP	£10,000
Lambeth Autism Group	£6,435
National Autistic Society South Belfast	£8,000
Project Art Works	£8,000
Resources for Autism (2 grants)	£19,586
Spectrum	£8,000
Wecan	£10,000
White Lodge Centre	£8,000

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Disability, Violence and Access to Justice - £776,220

Avon & Bristol Law Centre - £202,584

Towards the student-led welfare benefits legal advice and representation project and help for other agencies develop similar schemes.

Cheshire Without Abuse - £173,684

Towards the charity's services for children with autism.

L&Q Living - Beverley Lewis House - £254,884

Towards a behaviour support analyst, a life skills coordinator and therapy costs for Beverley Lewis House.

Somerset & Avon Rape & Sexual Abuse Support (SARSAS) - £145,068

Towards the specialist support service for learning disabled women.

Approved by the Trustees on 31 October 2019 and signed on their behalf by:


.....

TRUSTEE

THE THREE GUINEAS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2019

	Notes	Unrestricted Funds	Expendable Endowment	Total Funds 2019	Total Funds 2018
		£	£	£	£
Income and Endowment from:					
Donations and gifts		-	1,250,000	1,250,000	1,125,000
Investments	3	373,929	-	373,929	388,807
Interest and other income		27,651	-	27,651	15,278
Total Income		401,580	1,250,000	1,651,580	1,529,085
Expenditure on:					
<i>Raising funds:</i>					
Investment management fees		-	109,452	109,452	118,671
<i>Charitable activity:</i>					
<i>Grant-making:</i>					
Grant expenditure	4	1,249,060	-	1,249,060	1,200,581
Grant related support costs	5	171,126	-	171,126	103,134
Total Expenditure		1,420,186	109,452	1,529,638	1,422,386
Net operating surplus / (deficit)		(1,018,606)	1,140,548	121,942	106,699
Gains on investment assets		-	1,221,160	1,221,160	447,155
Transfers between funds		1,018,606	(1,018,606)	-	-
Net movement in funds		-	1,343,102	1,343,102	553,854
<i>Reconciliation of funds:</i>					
Total funds brought forward		-	25,186,943	25,186,943	24,633,089
Total funds carried forward		-	26,530,045	26,530,045	25,186,943

The notes on pages 11 to 18 form part of these accounts.

THE THREE GUINEAS TRUST

BALANCE SHEET AS AT 5 APRIL 2019

	Notes	2019 £	Restated 2018 £
FIXED ASSETS			
Tangible fixed assets	7	4,080	5,440
Investments	8	21,840,366	20,362,098
		21,844,446	20,367,538
CURRENT ASSETS			
Debtors	9	7,267	229,603
Short-term deposits		5,151,763	2,586,928
Cash at bank and in hand		706,267	3,250,485
		5,865,297	6,067,016
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	10	1,179,698	1,247,611
		1,179,698	1,247,611
NET CURRENT ASSETS		4,685,599	4,819,405
NET ASSETS		26,530,045	25,186,943
CAPITAL FUNDS			
Expendable endowment	11	26,530,045	25,186,943
		26,530,045	25,186,943

The financial statements were approved and authorised for issue by the Trustees on 31 October 2019 and were signed on their behalf by :



TRUSTEE

The notes on pages 11 to 18 form part of these accounts.

THE THREE GUINEAS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2019

RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net cash (used in) operating activities	(972,275)	(1,203,702)
Cash flows from investing activities:		
Purchase of investments	(4,060,703)	(2,467,252)
Sale of investments	3,873,003	1,975,542
Net cash used in investing activities	(187,700)	(491,710)
Cash flows from financing activities:		
Receipt of expendable endowment	1,250,000	1,125,000
Increase / (decrease) in cash	90,025	(570,412)

Reconciliation of net cash (used in) operating activities

	2019	2018
	£	£
Net movement in funds	1,343,102	553,854
Deduct gift of endowment	(1,250,000)	(1,125,000)
(Gains) on investments	(1,221,160)	(447,155)
Depreciation charges	1,360	1,360
Decrease / (increase) in debtors	222,336	(229,603)
(Decrease) / increase in creditors	(67,913)	42,842
	(972,275)	(1,203,702)

Analysis of the balance of cash as shown in the balance sheet

	2019	Restated 2018	Change in year
Cash at bank and in hand	706,267	3,250,485	(2,544,218)
Short-term deposits	5,151,763	2,586,928	2,564,835
Investment cash held as Fixed Asset Investments (Note 8)	591,550	522,142	69,408
	6,449,580	6,359,555	90,025

The notes on pages 11 to 18 form part of these accounts.

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

1. CHARITABLE STATUS

The Three Guineas Trust is an unincorporated charity (Charity registration number 1059652), registered in England and Wales. The address of the registered office is 5 Wilton Road, London, SW1V 1AP.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

In the opinion of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity.

a) Income Recognition

- (i) Income is shown gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
- (ii) Dividends are included by reference to their due dates.
- (iii) Interest is included when receivable.

b) Expenditure on Charitable activities

The Trustees consider that grant-making is the Trust's sole charitable activity. Grants for which there is a legal obligation, or a valid expectation of receipt by the beneficiary at the year end, and for which conditions attaching to their payment have been fulfilled, are accounted for within the Statement of Financial Activities. Grants approved subject to conditions that have not been met at the year end are noted as a commitment (see note 4).

c) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities. Investments are shown at mid market value. Disposals are accounted for using proceeds value.

d) Cost of administration

These costs include a share of the staff and office costs of the joint offices of the Sainsbury Family Charitable Trusts, which are allocated in proportion to the time spent on Trust matters and grants paid.

e) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include statutory audit and legal fees where relevant.

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

2. ACCOUNTING POLICIES (continued)

f) Depreciation

Fixed assets are depreciated at rates which reflect their useful life to the Trust.

Leasehold improvements - 10% per annum

g) Financial Instruments

The Trust 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

At the balance sheet date the charity held financial assets at amortised cost of £5,865k (2018: £6,067k), financial assets at fair value of £21,840k (2018: £20,362k) and financial liabilities at amortised cost of £1,180k (2018: £1,248k).

h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, cash held for reinvestment and short term deposits.

i) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2019		2018	
	£	%	£	%
Fixed interest	44,838	12	79,197	20%
UK equities	214,139	57	203,968	53%
Overseas equities	77,734	21	72,790	19%
Alternatives	37,218	10	32,852	8%
	373,929	100	388,807	100%

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

4. GRANTS PAYABLE

	2019		2018	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2018		1,208,590		1,162,360
Grants not accrued at 6 April 2018	331,070		575,491	
Grants approved in the year	1,151,773		976,160	
Grants cancelled or refunded	-		(20,000)	
Grants not accrued at 5 April 2019	(233,783)		(331,070)	
Grants payable for the year		1,249,060		1,200,581
Grants paid during the year		(1,353,533)		(1,154,351)
Commitments at 5 April 2019		<u>1,104,117</u>		<u>1,208,590</u>
Commitments at 5 April 2019 are payable as follows:				
		£		£
Within one year (note 10)		<u>1,104,117</u>		<u>1,208,590</u>

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2019 was £233,783 (2018: £331,070).

Grants payable in the year were:

	£
Autism	
Assert	54,000
Sunbeams Play	50,000
Autism Bedfordshire	28,570
Turning the Red Lights Green - Red2Green	25,000
University of Bath	20,000
Supertroop	10,000
19 other grants for summer activity programmes	177,553
Disability, Violence and Access to Justice	
L&Q Living - Beverley Lewis House	254,884
Inclusion London	181,000
Avon & Bristol Law Centre	135,056
Cheshire Without Abuse	123,058
Somerset & Avon Rape & Sexual Abuse Support (SARSAS)	108,439
Disability Law Service	80,000
General	
Sainsbury Archive	1,500
Total grants payable per Statement of Financial Activities	<u>1,249,060</u>

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

5. ALLOCATION OF SUPPORT COSTS

	Grant- making	Governance	2019 Total Allocated	Grant- making	2018 Governance
	£	£	£	£	£
Staff costs	64,920	2,768	67,688	53,960	3,348
Share of joint office costs	20,985	-	20,985	15,350	-
Direct costs including travel	29,941	-	29,941	1,152	-
Legal and professional fees	27,336	-	27,336	4,256	-
Advisors' honoraria	20,000	-	20,000	20,000	-
Depreciation	1,360	-	1,360	1,360	-
Auditors' remuneration	-	3,816	3,816	-	3,708
	164,542	6,584	171,126	96,078	7,056

During the year no Trustee received any remuneration for their services as trustees (2018: NIL).

Included in the direct costs of £29,941 is £11,986 (2018: NIL) for a beneficiary sharing and learning seminar and £14,866 (2018: NIL) for organisational support for beneficiaries.

Included in legal and professional fees is £15,850 incurred for the Novarca review of investment management charges (2018: NIL).

6. ANALYSIS OF STAFF COSTS

	2019	2018
	£	£
Salaries and wages	54,879	46,433
Social security costs	6,374	5,572
Other pension costs	6,435	5,303
	67,688	57,308

As mentioned in Note 2(d), the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 1.0% (2018: 0.8%) of the total support and administration costs of these trusts have been allocated to the Three Guineas Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2018/19.

The actual number of staff employed during the period was 8, all on a part-time basis (2018: 9). This was equivalent to 0.8 full time employees (2018: 0.7). The Trust considers its key management personnel to comprise the Principal Officers. The total employment benefits including employer pension contributions, of these personnel were £48,774 (2018: £39,796). No employee of the charity earned in excess of £60,000 (2018: nil).

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

7. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2019	2018
	£	£
Cost		
At 6 April 2018	13,600	13,600
At 5 April 2019	13,600	13,600
Depreciation		
At 6 April 2018	8,160	6,800
Charge for the year	1,360	1,360
At 5 April 2019	9,520	8,160
Net Book Value		
At 5 April 2019	4,080	5,440
At 5 April 2018	5,440	6,800

8. FIXED ASSET INVESTMENTS

	2019	Restated 2018
	£	£
Market value 6 April 2018	19,839,956	18,901,091
Less: Disposals at proceeds	(3,873,003)	(1,975,542)
Add: Acquisitions at cost	4,060,703	2,467,252
Net gains on valuation	1,221,160	447,155
Market value 5 April 2019	21,248,816	19,839,956
Investment cash	591,550	522,142
Total investments	21,840,366	20,362,098

The investments held as at 5 April 2019 were as follows:

	2019		Restated 2018	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
UK fixed interest	2,521,176	2,558,645	2,154,980	2,151,163
UK equities	6,009,226	10,871,765	5,445,026	10,727,197
Overseas equities	5,597,662	6,938,664	4,769,728	6,230,352
Alternatives	826,793	879,742	788,698	731,244
	14,954,857	21,248,816	13,158,432	19,839,956
Investment cash	591,550	591,550	522,142	522,142
Total investments	15,546,407	21,840,366	13,680,574	20,362,098

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

8. FIXED ASSET INVESTMENTS continued

During the year the classification of cash held by the investment managers has been reconsidered and cash held for reinvestment in the portfolio has been included within fixed asset investments as it is a longer term investment. Previously it was included within current assets. The comparative figures have also been restated. The comparative figures have also been restated to remove cash held on deposits from Investment cash. These are now included as short-term deposits on the Balance Sheet.

9. DEBTORS

	2019	2018
	£	£
Income tax recoverable	-	225,000
Prepayments and Accrued Income	7,267	4,603
	<u>7,267</u>	<u>229,603</u>

10. CREDITORS - amounts falling due within one year

	2019	2018
	£	£
Grants payable within one year	1,104,117	1,208,590
Professional charges	7,147	3,708
Investment management fee	18,528	29,048
Other creditors	49,906	6,265
	<u>1,179,698</u>	<u>1,247,611</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2019
	£	£	£
Fund balances at 5 April 2019 are represented by:			
Tangible fixed assets	-	4,080	4,080
Investments	-	21,840,366	21,840,366
Current assets	1,161,170	4,704,127	5,865,297
Current liabilities	(1,161,170)	(18,528)	(1,179,698)
Total net assets	-	26,530,045	26,530,045
Movement in the year			
Opening balance as at 5 April 2018	-	25,186,943	25,186,943
Total income and endowments	401,580	1,250,000	1,651,580
Cost of raising funds	-	(109,452)	(109,452)
Cost of grant-making	(1,420,186)	-	(1,420,186)
Net gains on investments	-	1,221,160	1,221,160
Transfers between funds	1,018,606	(1,018,606)	-
Closing balance as at 5 April 2019	-	26,530,045	26,530,045

In the year under review, there was a transfer from expendable endowment of £1,018,606 (2018: £899,630) to clear the deficit on unrestricted funds

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Funds	Expendable Endowment	Restated Totals 2018
	£	£	£
Fund balances at 5 April 2018 are represented by:			
Tangible fixed assets	-	5,440	5,440
Investments	-	20,362,098	20,362,098
Current assets	1,218,563	4,848,453	6,067,016
Current liabilities	(1,218,563)	(29,048)	(1,247,611)
Total net assets	-	25,186,943	25,186,943
Movement in the year			
Opening balance as at 5 April 2017	-	24,633,089	24,633,089
Total income and endowments	404,085	1,125,000	1,529,085
Cost of raising funds	-	(118,671)	(118,671)
Cost of grant-making	(1,303,715)	-	(1,303,715)
Net gains on investments	-	447,155	447,155
Transfers between funds	899,630	(899,630)	-
Closing balance as at 5 April 2018	-	25,186,943	25,186,943

12. RELATED PARTY TRANSACTIONS

Included within grant-related support costs is a total of £11,486 (2018: £4,256) payable for legal services to Portrait Solicitors, a firm in which Mr D Flynn is a partner. At 5 April 2019, £3,331 (2018: £NIL) was payable and is included in creditors (Note 10).

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2018

	Unrestricted Funds	Expendable Endowment	Total Funds 2018
	£	£	£
Income and Endowment from:			
Donations and gifts	-	1,125,000	1,125,000
Investments	388,807	-	388,807
Bank deposit interest and other income	14,946	-	14,946
Interest on short term deposits	332	-	332
Total Income	404,085	1,125,000	1,529,085
Expenditure on:			
<i>Cost of generating funds:</i>			
Investment management fees	-	118,671	118,671
<i>Charitable activity:</i>			
Grant-making:			
Grant expenditure	1,200,581	-	1,200,581
Grant related support costs	103,134	-	103,134
Total Expenditure	1,303,715	118,671	1,422,386
Net operating surplus / (deficit)	(899,630)	1,006,329	106,699
Gains on investment assets	-	447,155	447,155
Transfers between funds	899,630	(899,630)	-
Net movement in funds	-	553,854	553,854
<i>Reconciliation of funds:</i>			
Total funds brought forward	-	24,633,089	24,633,089
Total funds carried forward	-	25,186,943	25,186,943

THE THREE GUINEAS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

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

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

THE THREE GUINEAS TRUST

Independent Auditor's Report to the Trustees of the Three Guineas Trust

Opinion

We have audited the financial statements of the Three Guineas Trust for the year ended 5 April 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

THE THREE GUINEAS TRUST

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 [set out on page 19], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

THE THREE GUINEAS TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

13 November 2019

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

