# R L Glasspool Charity Trust

# Annual Report & Accounts 2016

Glasspool Charity Trust

Charity Reg. No. 214648

# THE YEAR AT A GLANCE

**5,916**
**(UP 6%)**

The number of households helped by grants from the Trust

**£1,455,457**
**(UP 8%)**

The total value of the Grants awarded by the Trust

**£319,451**
**(UP 13%)**

The total grant-making costs of the Trust

**£39,215,916**
**(DOWN – 0.1%)**

The total value of the assets of the Trust

# CONTENTS

# 1 CHAIR'S REPORT

This year we made 5,916 grants totalling £1,455,457, up 8% on last year. Over the last 21 years the number of individuals we have helped has increased by nearly 7% p.a. and we have increased our spending on grants by just over 9% p.a. Moreover, we have more than maintained the real value of the assets of the Trust over this period with the total assets growing from £6,035,000 in 1995 to £39,215,916 in 2016 an annual increase of 9.3%. The corresponding increase in RPI over this period has been 2.8% p.a. so we have successfully met our primary objectives of increasing both grant spending and assets in real terms.

We are fortunate in being an endowed charity and as such can take a long-term view of both our investments and grant spending. The costs of running the Trust are also, to a large extent, within our control. Overall, the financial position of the Trust remains strong and the Trust continues to be run both effectively and efficiently. We do, however, wish to do more, both with our own resources and together with partners who share our aims of helping individuals in need. Specifically we wish to significantly increase the help we give, both by increasing the total value of the grants we make and by increasing the impact and effectiveness of these grants in terms of the individual outcomes that result from these grants. We are continuing to target annual increases of 7% in our grant spend with our medium term goal being to increase this to £2 million by 2020/21. We have now completed the third year of our five year Strategic Business Plan and I am pleased to report that we are still largely on target to make the necessary changes to meet our strategic aims. The major achievement during the year was the sale of the remaining residential flats we owned and the re-investment of the proceeds into higher yielding growth assets although, as discussed later in my report, this was not without problems. Our other major change is the move to a new, on-line grant making process GrantsPlus which is bringing significant improvements to our systems and processes.

We continue to award our grants to individuals in need via third party organisations and last year accepted over 72% of all the applications we received. Total grant-making expenditure (the total of all staff, office, Trustee and adviser costs) increased over the year with the annual increase over the last five years being 4.7% p.a. significantly higher than the 2.3% increase in RPI over this period. The annual total costs of running the charity was however still within the metric set (<20% of the net total income of the Trust over a three year rolling period).

A significant part of this year's increase in our administrative running costs was due to the legal costs involved in defending the charity's actions in respect of the sale of our remaining properties on the Butterfields estate. The decision to sell was taken in good faith in order to maximise the amount of money the Trust could give away to support individuals and families across the UK. We submitted a Serious Incident Report (SIR) to the Charity Commission on the matter and after consideration they concluded that we had acted within our remit and that we had made an informed and reasonable decision based upon appropriate, professional advice. We have since re-invested the proceeds of the sale which is enabling us to meet our income targets necessary to reach our medium-term grant giving targets.

Overall, the Trust has had an excellent year with most of the investment, financial and grant giving objectives being met as detailed later in this report. This is clearly something of which I, and all associated with the Trust, are both delighted and proud.

As in previous years, I would like to thank the Trust's hardworking Staff for all their efforts throughout the year. Our CEO Jason Tetley left in February 2016 following his move to the North West and we were extremely fortunate to recruit Julie Gilson who joined us in April as his replacement. Julie and her colleagues have had a busy time with bringing in our new GrantsPlus system which, as I have already said, is a key plank in our current five year strategic plan.

One of our longest serving trustees Kevin Connelley retired in December 2015 after 15 years on the Board during which he served as Deputy and chaired our HR Sub-Committee. Kevin had a great presence on the board and his wise and calming counsel to his fellow Trustees and Staff will be missed by us all. As every year I have been Chair I would like to thank my fellow Trustees Robert Birmingham, Matt Luheshi, Kevin Mansell, Kerri Phillips, Mary Stimson and Denise Tur for all their hard work and the support they have given to the Trust and the Staff and I am delighted to welcome Charles Mesquita who has replaced Kevin on the board and who brings significant Trustee and investment expertise. The work load and responsibilities placed on staff and trustees in the charity sector continue to increase and the Trust is indebted to its staff and Trustees, particularly the latter who give up so much of their free time voluntarily to help others.

I am also pleased to thank our accountant Peter Barton, our auditor Cathy Cooper, our property managing agent Robert Ellice, our financial adviser Carlton Hall and our two solicitors Bob Bentley and James Sinclair Taylor for their services and help through the year: Robert, Carlton and James proved invaluable in helping us deal with the SIR referred to above.

*Keith Nunn*

**Keith Nunn**
Chair of Trustees

2 December 2016

# 2 CHIEF EXECUTIVE'S REPORT

During 2015/16 the Trust continued to support even greater numbers of households with financial support in the form of small one-off grants. Although each grant is small, the impact is big. The feedback we receive says it all.

> "My client has not been able to have a home cooked meal for three years, but your grant enabled him to have a cooker. This will improve his physical health, but also he suffers from depression and a healthier lifestyle will positively contribute to his mental well-being."

> "Many of my clients are experiencing some of the toughest times in their lives and each and every donation you approve makes a massive difference."

Over the last year we increased our grants expenditure, kept our running costs low; and introduced a new grants management system that will enable us to assess applications more efficiently.

Over the next 12 months we want to move forward and do more. We will promote our grants offer more widely to extend our reach; and work more closely with third party referral agencies, our funding partners and others, to increase the impact of our grant-making; and prepare for our next strategy 2018 – 2022.

At this time of austerity, uncertainty and insecurity the Glasspool Charity Trust has an important role to play supporting those most in need. I feel privileged to join the Trust and look forward to working with the Trustees, Staff and our stakeholders in the months and years ahead.

*Julie Gilson*

**Julie Gilson**
Chief Executive Officer

2 December 2016

# 3 OBJECTIVES


All grants must be made at the discretion of the Trustees. The Trustees must not commit themselves to repeating any grant made under this clause.

The Trust is registered with the Charity Commission as a national charity (England, Scotland, Wales and Northern Ireland). Whilst making grants in Scotland we do not carry out any other activities there and are not required to register with the Office of the Scottish Charity Regulator.

# 4 ACHIEVEMENTS AND PERFORMANCE

The achievements against our objectives for the year were as follows:

## 4.1 Financial (averaged over rolling three year period; targets in brackets)

| OBJECTIVE | OUTCOME | RESULT |
|---|---|---|
| Increase Grant Spending by more than the increase in RPI | 10.7% p.a. (1.6% p.a.) | ACHIEVED |
| Increase the Total Fund Value by more than the increase in RPI | 6.8% p.a. (1.6% p.a.) | ACHIEVED |
| Generate a Net Total Income Return of at least 4% | 3.9% p.a. (4.0% p.a.) | NOT ACHIEVED |
| Generate a Total Return above the increase in RPI + 4% | 11.1% p.a. (5.6% p.a.) | ACHIEVED |
| Keep Grant-making Costs below 20.0% of Net Total Income | 18.6 p.a. (20.0% p.a.) | ACHIEVED |
| Spend at least 100% of Net Income on Grants | 104.2% p.a. (100% p.a.) | ACHIEVED |

These targets and the annual and long-term average performances are discussed in detail in Section 9.3.

## 4.2 Grants – Efficiency Measures

| OBJECTIVE | OUTCOME | RESULT |
|---|---|---|
| Respond to at least 90% of applications within 2 weeks | 77% | NOT ACHIEVED |
| Implement decisions on grants within 3 months of receipt of application in at least 90% of cases | 98% | ACHIEVED |
| Spend at least £1,500,000 on grants (within £50,000 tolerance) | £1,455,457 | ACHIEVED |
| E-applications to be over 90% of total received | 99.9% | ACHIEVED |

Our failure to meet our '2 week response' target resulted from an increasing demand coupled with a change in Staff resources. Our new grants management system in place will increase our efficiency enabling us to meet this target next year with our current Staff team.

# 5 PUBLIC BENEFIT

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit and on prevention and relief of poverty for the public benefit when reviewing the Trust's performance in the year and in planning future activity and grant policy for the year ahead.

There are no restrictions on whom may benefit from the Trust's funds, other than a requirement to demonstrate financial need. In our experience, applicants to our charity who are "sick, convalescent, disabled or infirm" [1(b) of our objectives] are also "in need, hardship or distress" [1(a)]. Anyone in the UK who is in need and on a low income is eligible as a potential beneficiary for the Trust. As we cannot help every applicant who falls within this category, we prioritise by looking at their degree of vulnerability and how essential the need is. No individual or organisation receives any private benefits from our charity. Our aims, strategies and achievements are described elsewhere in this report.

81% of our grants were made to beneficiaries whose sole income was state benefits. The other 19% included pensioners, students, low wage earners and people being supported by social services or the UK Border Agency (UKBA) as they were ineligible for benefits.

The Trustees continue to take the view that people cannot move on with their lives until their basic needs have been met. The benefits of our charitable work are clear and are all directly related to our aims. 76% of our small grants relieved material deprivation by providing basic household equipment such as cookers, washing machines and fridge/freezers. 15% provided essential bedding and beds; 5% was used for basic clothing; and the remaining 4% enabled beneficiaries to obtain baby items, take up vocational training leading to employment; contribute to the costs of aids and adaptations; and assist with other day to day needs. We make one-off grants but do not help with weekly income.

There is no detriment or harm against which to balance the benefits, other than the risk of replacing statutory funds. Meeting needs for which a statutory agency is responsible results in both an under-estimation of statutory need and a reduction in charitable funds for other needs. In such cases we may refuse help, or may meet the need and raise the issues involved with the relevant statutory agencies locally and/or nationally, either by ourselves or via the Association of Charitable Organisations (ACO). Unlike those charities which take on contracts to provide public services, there is no question of any cost recovery for our funds.

# 6 POLICY & CAMPAIGNS

The Trust views its policy and campaigning work as being both acting within in its charitable objectives and in adherence with its duty to provide a public benefit.

## 6.1 Social Fund/Local Welfare Provision

During 2015/16 the Trust continued to be actively involved in the 'Keep the Safety Net' campaign, which lobbied Government to retain designated local welfare provision funding. The local government finance settlement for 2016/17 confirmed a local welfare provision budget of £129.6m per annum which is expected to continue through to 2019-20. Whilst this settlement is to be welcomed, our experience is that many local welfare schemes are closing and for those that remain the eligibility criteria and scope continues to narrow, excluding many people in need.

## 6.2 Furniture Poverty

We were also pleased to see the establishment of EndFurniturePoverty.org – a campaign to highlight the reality of living in furniture poverty. The campaign aims to promote practical solutions for the estimated 14 million UK households who cannot afford one or more essential household items.

# 7 PLANS FOR THE FUTURE

**The medium-term strategic aspiration is to increase the grant spending to £2 million by 2020/21 and the grants budget for the coming year has been increased by 6.5% to £1,55 million. We also aim to assess and increase the 'impact' / 'effectiveness' of our grant giving. We have completed the first three years of our five year strategic business plan to meet these strategic aims.**

We will annually review our strategy to ensure we are on track to deliver our ambitious growth and development plans.

We will further refine our outcomes and improve the impact of our grant-making, working collaboratively wherever possible to secure real and lasting change for our beneficiaries.

We will continue to make large numbers of small one-off grants to individuals to help meet basic needs, in accordance with the objectives of the Trust and to provide public benefit as a charity set up for the relief of poverty. The view of the Trustees remains that individuals cannot begin to move on in their lives until their basic needs have been met.

We will also continue to try to help to create change in broader ways through policy work with ACO, responding to Charity Commission and government consultations and taking up issues arising from individual applications.

While our aspiration is to achieve grant spending of £2 million by 2020/21, we will retain our two main objectives which are to grow both the grants and funds value in real terms over the foreseeable future.

We will continue to apply a three year rolling average to our financial and investment targets to smooth out the effects of shorter term volatility.

We will continue to spend more than 100% of the net income after all fees and grant-making costs, if necessary, using reserves to increase our grant spending in line with our strategic aims.

We have completed the rebalancing of the overall portfolio having sold the last of the directly-owned residential properties, re-investing the proceeds into higher yielding equity, infrastructure and commercial property funds. We are not envisaging further major changes to the overall portfolio in the short to medium term unless there are significant increases in either interest rates (bond yields) or inflation.

We will continue to look for opportunities to work with other grant giving organisations including taking on the grant giving activities of organisations where we can add efficiency savings. We were delighted to reach agreement with the Drapers Livery Company during the year and we are now administering £105,000 p.a. on behalf of Mercers, Goldsmiths and Drapers.

We will continue to assess and update the Risk Assessment document in terms of a Risk Matrix on an annual basis. We will continue to review and improve our office and Staff policies and procedures on an annual basis.

We have established a succession planning process based on Trustees serving up to three five year terms, with one new Trustee being recruited on average every one to two years.

# 8 STRUCTURE, GOVERNANCE AND MANAGEMENT

## 8.1 Background

The R L Glasspool Charity Trust was set up in 1939 with an endowment of properties and investments from Mr. Richard Louveteau Glasspool, a Hertfordshire businessman and philanthropist who died in 1949 at the age of 65.

He decided that to set up his own charity would be a more cost-effective use of his money, both by saving income tax and in saving the amount of his donations spent by other charities on grant-making and fundraising. The Trust is self-sufficient in income and does not need to fundraise.

In 1998 the Trust Deed was replaced by a Scheme provided by the Charity Commission at the request of the Trustees. Although the spirit of the deed still held good, certain provisions could not be complied with, particularly the detailed requirements for investments, e.g. in Dominions of the British Empire and in canal companies.

In 2007 the Trustees took advantage of the permission afforded by the Charities Act 2006 to amend and update the administrative procedures in the Scheme.

Historically, Trustees were appointed who were friends and relations of the founder, Mr Glasspool. After his death, new Trustees were contacts of existing Trustees. More recent appointments have been the result of a skills audit and are not usually of people known to current Trustees. All potential new Trustees are invited to sit in on several meetings as observers, after which a mutual agreement is reached on appointment.

Trustees have attended seminars/conferences on governance, investments and employment law. All new Trustees go through an induction programme and are supported to undertake relevant learning. During 2016/17 a Trustee skills audit will be undertaken to inform trustee learning and development.

Staff discuss their training needs during annual appraisals and have attended first-aid and welfare benefits courses and finance seminars.

Currently the Trust has a board of eight Trustees and a Staff team of six (five full-time equivalents); it does not use volunteers. Income is derived from investments, ground rents from residential properties managed by an estate agent, and grant funds managed for three city livery companies.

The Board is supported by three Sub-Committees: on Finance Sub-Committee, Grants Sub-Committee and Human Resources Sub-Committee, which meet regularly to discuss issues and make recommendations to the full Board. These Sub-Committees each have a Chair and Deputy Chair and at least two other Trustees and are supported by the Chief Executive Officer (CEO) as Secretary. The Board, FSC and GSC meet quarterly and the HRSC twice a year. Chairs and Deputy Chairs of the Board and the three Sub-Committees are elected annually.

The Trust received 8,272 applications in 2015/16. It is not possible or appropriate for the Trustees to look at each application for support. The aim is always to meet need as quickly as possible. To this end, the Trustees have delegated broad grant-making powers to staff. The Trustees consider criteria for grant-making at regular intervals and staff take decisions within these criteria, referring grants outside their discretion to the Trustees where appropriate. The GSC receives detailed reports on grant-making and appropriate checks and balances are in place both on decision making and on expenditure.

## 8.2 Key Management Personnel

The key management personnel are the CEO and the Deputy CEO. Reporting to the Chair of Trustees and working closely with all Trustees in an advisory capacity, the CEO is responsible for strategic development, governance, operational management, and staff management and development. The role also has a considerable external focus working with strategic and funding partners. In addition to deputising for the CEO, the Deputy CEO is responsible for operational and compliance management across a broad range of areas including investments, IT, data protection, health and safety and facilities management. The role is largely internally focused with the exception of operational investment and supplier relations; and the Deputy CEO works closely with the Trustees servicing governance structures.

The pay of the key management personnel is reviewed annually and normally increased in accordance with RPI. The remuneration is also bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

## 8.3 Risk Assessment

The annual risk assessment reviewed the previously identified risk issues each of which has been classified as Low, Medium or High 'Risk' with Low, Medium or High 'Impact'. Each risk issue is owned by one of the three Sub-Committees and has a mitigation action plan with the risks and mitigating actions being presented on a 'Risk' versus 'Impact' matrix. The risks are also summarised on a 'Risk x Impact' versus Controllability matrix.

Losses on investments and reductions in income at a time of increased demand from beneficiaries and increased costs continue to be the two highest risk and impact issues and will remain so going forward. We can strengthen our acceptance criteria to reduce the number and size of our grants. We are trying to achieve higher yields from our investments and will be trying to accumulate more funds.

Other than potential Staff redundancy payments and the outstanding lease on the Trust's offices, our only other significant exposure relates to our Staff pension liabilities. The potential 'Debt on Withdrawal' that the Trust would have to pay should it leave The Pensions Trust's multi-employer CARE defined benefit pension scheme (of which staff were members up to 31st March 2016) has become more significant over the last two years and at £459,000 (as of 30-Sep-15) is now an individual risk issue and by far our biggest liability. We have established a designated reserve fund of £500,000 to cover this contingent liability even though we have no intention of withdrawing from the closed scheme. The CARE scheme was closed on 1st April 2016 and our staff transferred to the Flexible Retirement Plan a Defined Contribution (DC) scheme also administered by The Pensions Trust. The discounted Net Present Value (NPV) of our deficit recovery payments over the remaining period of the 10 year recovery plan is £61,283 and this figure has been included with the other creditors in the annual accounts.

We have reviewed and updated the documentation for all our Staff/HR processes, financial controls and investment policies that had been completed during the previous year. This has further reduced the threat of many of the medium level risks on the risk register. We have also improved our Trustee recruitment process and have established a succession plan so that we can be confident that we can remain well resourced at Board level

## 8.4 Grant-making Procedures

The Trust is one of the few national charities making grants to individuals in need which have no restrictions on the type of beneficiary. Applications have to be made by an eligible support agency on behalf of an individual. Details of eligible agencies, how to apply and the needs we can consider are included in the Trust's guidance notes and are available via our website **www.glasspool.org.uk**.

Trustees review grant making policies regularly to keep them in line with changing circumstances in society, particularly changes in statutory policies/funding. Every effort is made to ensure that charitable funds do not replace any available statutory funds.

Grants to any one individual/family rarely exceed £750 and the average grant is around £250. Grants may be as low as £50 or (extremely rarely) as high as £5,000. Normally, not more than one grant may be made to the same beneficiary in any three-year period. In practice, repeat grants are rare.

The Trustees believe that making large numbers of small grants complies with the intentions of the Trust's founder and with the stated aims of the Trust and is a valuable resource for people in need, a view which referring support agencies wholeheartedly endorse.

### 8.5 Management of other funds

Since October 2004, the Trust has awarded £30,000 p.a. on behalf of the Mercers' Company which is Trustee of the Charity of Sir Richard Whittington. In 2015/16 we were also awarded £25,000 on behalf of the Goldsmiths' Charitable Company within their General Welfare Programme. These funds are used directly to support individuals, with the overheads involved in assessing and awarding the funds being covered by our own funds. This additional funding allows the Trust to reach more individuals in need. The Mercers' Company supports our national work, whilst Goldsmiths' targets grants to those in need within London. As mentioned earlier we were delighted to reach agreement with the Drapers' Livery Company during the year and have been awarded £25,000 p.a. to make grants to individuals within North East London.

### 8.6 Wider networks

The Trust remains an active member of the Association of Charitable Organisations (ACO). Like our previous CEO, our current CEO is a Trustee of ACO. She also leads a group of Trusts that are seeking ways to improve how they measure and report the impact of their grant-making. Trust Staff and Trustees attend ACO events and conferences, working with ACO to influence national policy that affects grant-makers and benevolent funds, and raise the profile of the benevolent sector and their work supporting individuals.

## 9 FINANCIAL REVIEW

### 9.1 Introduction

The Trust was endowed in 1939 with various properties and smaller investments then valued at around £139,000. The total value of the Trust's funds (including the NPV of the accrued DB scheme deficit contributions) as at 31 March 2016 was £39,215,916.

Over 97% of this fund value is made up of direct investments in various equity, bond, commercial property and infrastructure funds. Cash and short-term deposits make up around 0.6% of the funds with the freeholds of 215 residential flats making up around 2%.

The value of the endowed funds currently stands at £37,765,657 (over 96% of the total) with the remaining £1,450,259 being held in reserves which can be used in pursuance of the charity's objectives (together with the income earned from the endowed funds).

Under the current Trust Deed there is no finite period for the charity's existence.

The Trust does not currently fund-raise. All income comes from the dividends and interest from the investments and deposits mentioned above, apart from £30,000 received from the Mercers Charity, £25,000 received from the Goldsmiths Charity, £25,000 from the Drapers' Livery Company and £232,915 from Manton Trust.

The current intent of the Trustees is to spend more than 100% of our Net Income (after all fees and grant-making costs). We will utilise the growth in reserves or, where necessary, the non-designated reserves themselves to ensure that we continue to increase our grant spending in real terms. In the year we spent 104.2% of our Net Income with the £72,293 deficit reducing our General Reserves.

## 9.2 Investment Responsibilities and Strategy

Responsibility for the Trust's funds lies solely with the Trustees and investment performance for the year and ongoing strategy are discussed at the first meeting of the FSC held in May and approved at the following Trustee Board meeting. Investment performance is also considered on a quarter by quarter basis and all investment and divestment recommendations are agreed by the Trustees at their quarterly meetings. Investment advice is provided by an IFA on a fee basis to both check the Trustees' strategy against their objectives and the investment performance against targets, and to advise on particular investment opportunities and changes in regulatory constraints and economic conditions.

The Trust's investment strategy remains prudent, with an overriding requirement for a steadily rising income while maintaining the fund value in real terms.

The majority of the Trust's investment funds are held in Common Investment Funds (CIFs) and 'Charity Only' OEICs operated by specialist charity fund managers. These investments are listed in Table 1 viz the four COIF funds managed by CCLA, the two funds managed by M&G, the Charities Property Fund managed by Savills and the OLIM Charities Fund managed by Smith & Williamson. In addition the Trust has invested £6,200,000 into three infrastructure investment trusts over the last five years and £3,000,000 into two equity OEICS managed by Artemis and Unicorn in the current year. In 2011, £2,000,000 was invested with Vestra Wealth under a discretionary mandate with a target of delivering an income yield of 4% p.a. while growing the capital value in line with RPI.

Short-term deposit funds are held in the COIF Deposit Fund and various CAF current accounts. Sufficient funds (around £250,000) are maintained in 'instant access' accounts to ensure efficient cash flow to facilitate the grant giving and payment of grant-making costs throughout the year.

## 9.3 Investment Objectives, Targets and Performance

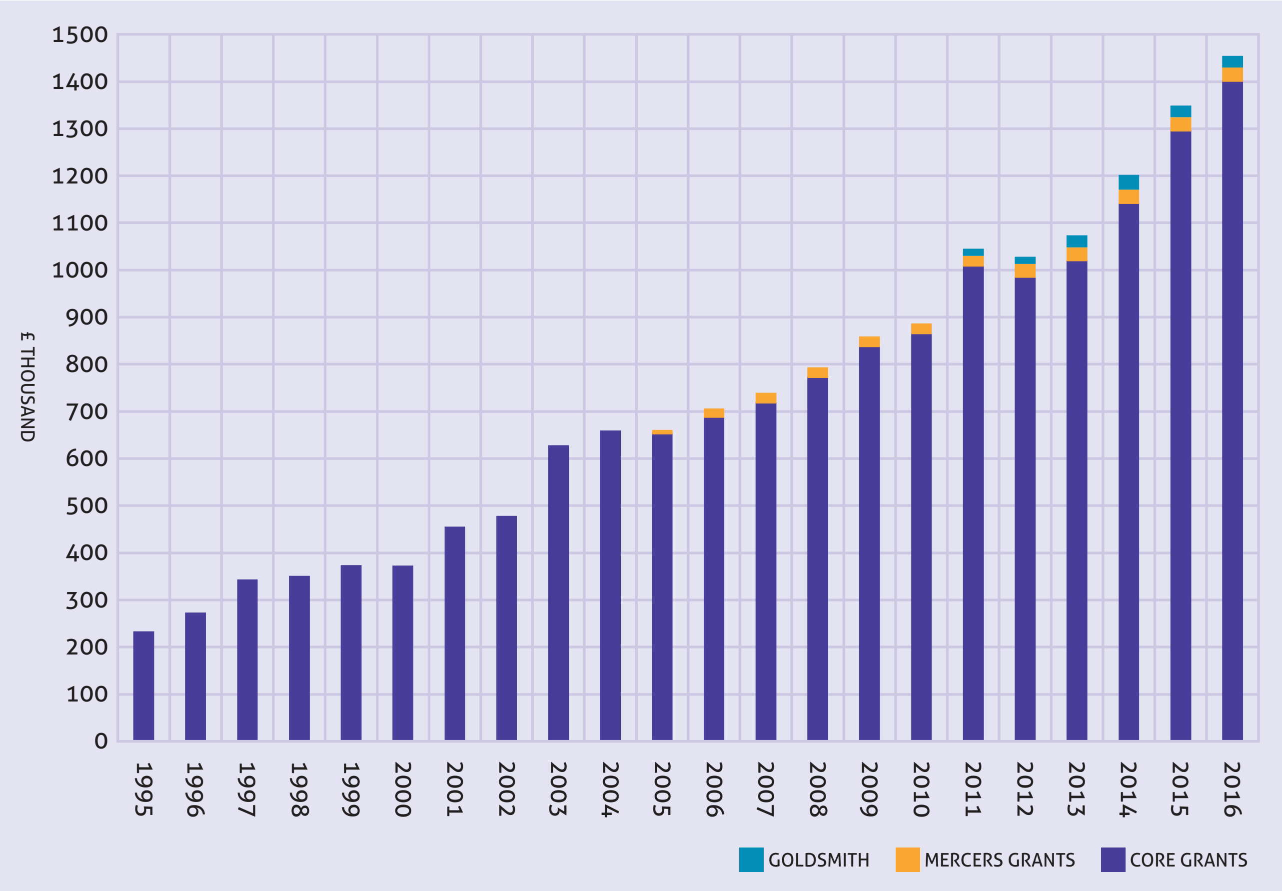
The main objectives of the Trust are to increase both the total value of the grants paid annually and the Trust's total funds value year on year. In both cases the target is to match or better the RPI increase using three year Rolling Averages (RAs) to smooth out shorter-term fluctuations. In this way the Trustees' aims to treat both present and future beneficiaries equitably.

Trustees track the performance against these objectives annually, and from 1995 (when the first full valuation of the Trust's properties was carried out) up until 2008 they were met each year. Following the 2007/8 'financial crash' it was difficult to meet the fund value objective (which was not met for the following three years) although we continued to meet the grant-giving objective. This year the three year Rolling Average annual increases in Grants and Total Funds were 10.7% and 6.8% p.a. respectively comfortably ahead of the average increase in RPI of 1.6% p.a. over the last 3 years.

The growth in annual grants and total fund value since 1995 can be seen in the figures below. During this 21 year period, annual grants have increased from £230,500 to £1,445,457 and total funds from £6,035,000 to £39,215,916 with the compound average increases being 9.2% p.a. and 9.3% p.a. respectively, compared to the equivalent figure of 2.8% p.a. for RPI (which increased from 147.5 to 261.0 over the same period).

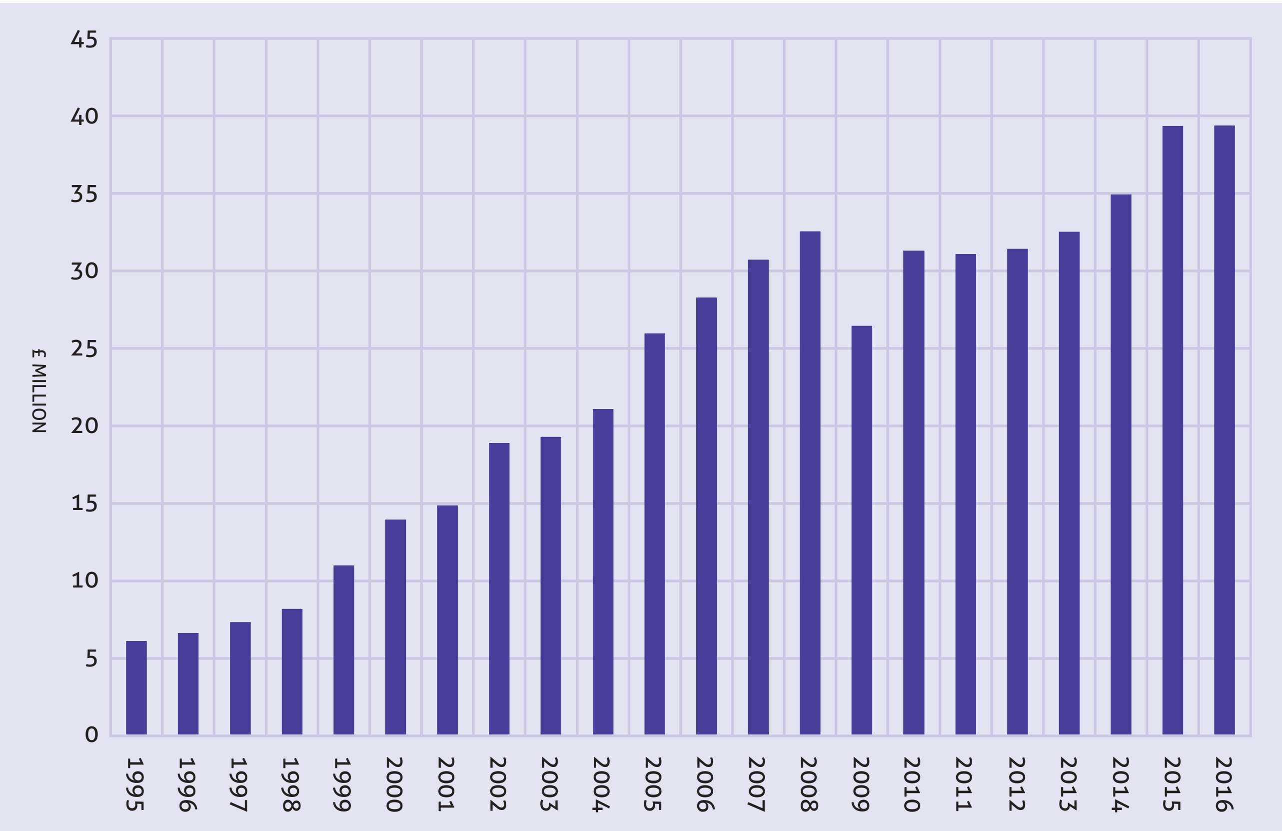
## TOTAL GRANTS AWARDED (£) FROM 1995 – 2016

YEARS ENDING 31 MARCH




## TOTAL FUNDS VALUE (ASSETS) FROM 1995 – 2016

YEARS ENDING 31 MARCH



In addition to the two main objective targets, the Trustees also tracks four other measures:

***Metric 1, the Net Total Income Return (NTIR).*** The total net (investment) income after all fees obtained from the investments and deposits during the year was £1,388,914 and was equivalent to an income return of 3.5% on the value of the total funds at the beginning of the year (£39,272,899). The three year RA figure was 3.9%, 0.1% below the 4% target. The main reason for missing the annual and three year average 4% targets was the loss of income resulting from the delay in getting the proceeds from the sale of the remaining residential flats re-invested with the proceeds being invested over a period of time to smooth out asset price volatility.

***Metric 2, the Total Return (TR).*** This is the sum of the capital growth of the Funds (adjusted by the surplus/ deficit incurred in the year) and the Net Total Income Return (NTIR). The target is the increase in RPI + 4%, again smoothed on a three year RA basis. For 2015/16 the annual TR was 3.6% with the three year RA figure being 11.1% p.a. 5.5% above the 1.6% + 4% = 5.6% target.

***Metric 3 is a cost-effectiveness measure of the running of the Trust*** and is the ratio of the Grant-making Costs (all the office, staff, Trustee and adviser/ consultant costs) to the Net Total Income received by the Trust. Again this is averaged over a three year period and the target is to keep this below a demanding figure of 20%. In 2015/16 Admin Costs increased from £281,720 to £319,451 with the Net Total Income increasing from £1,498,225 to £1,702,615 so that for the year the figure was 18.6% with the three year RA figure also being 18.6% (1.4% within the 20% target).

***Metric 4 is the ratio of Grants to Net Available Income (NAI)*** (after deduction of all fees, repairs and the Grant-making Costs) with the aim being for this to exceed 100% (again on a three year RA basis). In 2015/16 the figure was 105.2% with the three year RA figure being 106.8% (6.8% above the target).

## 9.4 Investment Portfolio and Risk Profile

The detailed portfolio in terms of the three asset classes mentioned in 9.2 above is shown in Table 1 which shows the annual growth and current (historic) yields of all the assets held by the Trust as at 31-Mar-16.

As can be seen in the table all the equity and bond investment funds showed capital losses over the year while the two commercial property funds and two of the three infrastructure funds showed capital gains. The segregated discretionary fund (managed by Vestra Wealth) lost 8.4% of its value. The total fund value at the end of the year was £39,215, 916 down - 0.1% compared to the total at the end of the previous year.

The current (historic) yields of the various investments show a weighted average of 4.8% for the investments, 0.1% for the deposits and 4.8% for the residential property freeholds with an overall, weighted current yield of 4.8%. The latter figure is different to the actual achieved yield over the year which, as stated in section 9.3, was 3.5%. The reason for the larger than usual difference is the loss of income resulting from the delay in re-investing the nearly £16 million proceeds received from the sale of the remaining residential properties.

As already stated in section 9.2, the aims of the Trustees are to maintain a prudent, conservative portfolio to deliver a steadily rising income while maintaining the real value of the underlying assets so as to achieve the two main objectives outlined in Section 9.3 viz of increasing both grants and total asset values by at least RPI averaged over a three year period.

Trustees monitor the 'performance', 'risk' and 'cost' issues related to yield and expected medium to long term capital growth both at the quarterly FSC meetings and regular discussions with our IFA. In particular, the current yield and relative three to five year market outlook for the main asset classes (UK and overseas equities, UK gilts and corporate bonds, commercial and residential property, infrastructure and cash) are considered prior to making decisions regarding the total portfolio and any sales and re-investments. Our IFA also attends one FSC meeting for the annual review of the portfolio together with our discretionary manager.

## 9.5 Socially Responsible Investment (SRI) Policies

The Trust's investment objectives are primarily based on good investment strategy and sound investments. We will not knowingly invest in funds which invest in companies that engage in unacceptable activities. We continue to monitor the SRI statements made by the investment managers with whom we invest and whether they comply with the Principles for Responsible Investment (PRI) and the UK Stewardship Code.

## 9.6 Endowed Funds

Over the past 23 years 214 properties (many of which made up much of the original endowment) have been sold and the (endowed) proceeds invested in managed equity, bond, commercial property and listed infrastructure funds. The last 66 properties were sold during the year. Over the 77 years since the Trust was set up the value of the Trust's endowment has increased from £139,000 to £37,765,657 a compound increase of over 7.5% p.a. In the year the Endowed Funds increased by 0.3%.

As stated above, the current value of the Trust's Endowed Funds represents over 96% of the Total Fund with the remaining 4% being held as Unrestricted Reserves or Income Funds.

## 9.7 Reserves

The Income Funds referred to above have been built up from past years' surpluses and investment growth: the target of spending all the net income was introduced in 2001 and since 2003 it has been met every year except in 2012. As stated above, these Income Funds/Reserves currently stand at just under 4% of the Total Funds Value, having decreased from £1,619,931 to £1,450,259 over the year as a result of a small investment capital loss of the reserves, the £72,293 deficit resulting from the significant planned increase in grant spend and the worsening pension liabilities provision (£61,283).

Of the £1,450,259 in the reserves, some £500,000 is currently held as Designated Reserves. With the Trust having now sold the remaining properties the necessity of holding a Property Repair Reserve is removed with cover only required for the 'Debt on Withdrawal' (DOW) should the Trust decide to withdraw from The Pensions Trust's (closed) CARE Pension Scheme : the latter (DOW) has increased from £346,000 on 30-Sep-14 to £459,000 on 30-Sep-15.

The remaining Income Funds are held as General Reserves and (after the transfer of the £221,540 to the Designated Reserves) these currently stand at £950,259. The current level of the General Reserves represents just under three years' worth of the current total grant-making costs of running the Trust.

The current level of the total Reserves (£1,450,259) is 2.7 times the total maximum estimated liabilities (staff redundancy, pension and office lease) should the Trust have to be wound up in the near future. Trustees will continue to monitor the level of Designated and General Reserves against the expected rise in certain of these potential liabilities (particularly the pension deficit). With the target of growing the grants spend by 7% p.a. and the probable reduction in return on the investments trustees expect to continue to spend down the reserves and note that the total reserves have reduced by over 3% p.a. over the last 10 years.

## TABLE 1 FUND PORTFOLIO AND INVESTMENT PERFORMANCE AS AT 31ST MARCH 2016

| | Capital Growth % pa | Current Yield % | Value £ |
|---|---|---|---|
| M&G Charifund Fund | -6.5 | 4.9 | 7,965,278 |
| CCLA COIF Investment Fund | -4.1 | 3.6 | 708,412 |
| CCLA COIF Global Equity Fund | -5.8 | 4.4 | 7,501,641 |
| OLIM Charity Value & Income Fund | -2.9 | 4.3 | 787,647 |
| Artemis Global Income Fund | -6.4 | 4.3 | 1,044,134 |
| Unicorn UK Income Fund | -0.1 | 4.3 | 2,018,297 |
| Vestra Segregated Fund | -8.4 | 4.4 | 2,093,894 |
| CCLA COIF Fixed Income Fund | -2.5 | 4.1 | 178,071 |
| M&G Charibond Fund | -2.8 | 4.8 | 626,173 |
| CCLA COIF Property Fund | 6.2 | 5.8 | 3,973,576 |
| Charities Property Fund | 7.2 | 4.6 | 4,750,485 |
| 3i Infrastructure Investment Trust | 7.7 | 4.2 | 759,992 |
| HICL Infrastructure Investment Trust | 1.8 | 4.7 | 3,023,391 |
| J Laing Infrastructure Investment Trust | -4.2 | 5.6 | 2,859,391 |
| **TOTAL INVESTMENT FUNDS** | | **4.8** | **38,290,382** |
| Cash | | 0.0 | 61 |
| COIF Deposit Fund | | 0.4 | 2,410 |
| CAFcash Accounts | | 0.1 | 245,218 |
| CAFgold Accounts | | 0.2 | 2,440 |
| **Total Cash & Deposits** | | **0.1** | **250,129** |
| **Ground Rents / Freeholds** | | **4.8** | **866,250** |
| **Tangible Fixed Assets** | | | **46,293** |
| **Debtors** | | | **39,227** |
| **Creditors (Accruals)** | | | **-215,082** |
| **Pensions Provision** | | | **-61,283** |
| **TOTAL FUNDS** | | **4.8** | **39,215,916** |

## 10 TRUSTEES' REMARKS ON THE ANNUAL FINANCIAL STATEMENTS

Total income for the year at £1,929,965 was 4.8% higher than in 2014/5. The income after deducting all the property and investment costs was £1,702,615 and the Net Available Income after deducting the Total Grant-making costs was £1,383,164. Spending on grants was up 7.9% from last year to £1,455,457 producing a deficit for the year of £72,293.

Total Endowed Funds increased by 0.3% to £37,765,657 and the Total Unrestricted (Income) Funds decreased 10.5% to £1,511,542.

The total fund value has decreased over the year by 0.1% to £39,215,916 after allowing for the NPV of the latest estimated pension deficit contributions of £61,283.

The Trustees note that The Pensions Trust (TPT), the Trust's pension provider, has estimated that there is currently (as of 30 September 2015) a £459,000 'Debt on Withdrawal' (DOW) should the Trust withdraw from the Career Average Revalued Earnings (CARE) final salary pension scheme. It should be noted that this scheme has now been closed (on 1st April 2016) by TPT and staff are now auto-enrolled into TPT's Flexible Retirement Plan (FRP) a DC arrangement into which we are currently contributing 11.5% of staff salaries. We are in addition paying £5,786 p.a. deficit repair contributions (escalating 3% p.a. over the remainder of the recovery period). The CARE Scheme 'DOW' remains our largest liability although this remains a contingent liability which is only triggered if we withdraw from the scheme which we currently have no intention of doing.

## 11 TRUSTEES' RESPONSIBILITIES

Charity law requires the Trustees to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities for that period. In preparing those financial statements, the Trustees are required to:

a) Select suitable accounting policies and then apply them consistently;

b) Make judgements and estimates that are reasonable and prudent;

c) State whether the policies adopted are in accordance with the Charities Statement of Recommended Practice (SORP), the Regulations made under section 44 of the Charities Act and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;

d) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enables them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

This report was approved by the Trustees on 2nd December 2016.

*Keith Nunn*

**K R Nunn**
Chair of Trustees

# DETAILS OF THE TRUST, ITS TRUSTEES, STAFF AND ADVISERS

R L Glasspool Charity Trust
2nd Floor, Saxon House, 182 Hoe Street, Walthamstow, London E17 4QH
Charity Reg.No. 214648

| | |
|---|---|
| **TRUSTEES** | Dr K Nunn (Chair)<br>Dr M Luheshi (Deputy Chair)<br>Mr R Birmingham<br>Mr K Mansell<br>Mr C Mesquita<br>Mrs K Phillips<br>Ms M Stimson<br>Ms Denise Tur |
| **CHIEF EXECUTIVE OFFICER** | Ms J Gilson |
| **DEPUTY CEO** | Mr S Woltkamp-Moon |
| **GRANT OFFICERS** | Ms L Hart<br>Mrs H Butler |
| **GRANT ADMINISTRATOR** | Miss N Woodward |
| **INDEPENDENT AUDITORS** | Wilkins Kennedy LLP Chartered Accountants & Statutory Auditors, Bridge House, London Bridge, London SE1 9QR |
| **INDEPENDENT FINANCIAL ADVISERS** | Fidelius Ltd 1st Floor, 20 Little Britain, London EC1A 7DH |
| **PROPERTY MANAGING AGENTS** | Clarke Hillyer Chartered Surveyors, Auctioneers & Estate Agents, Head Office, 502 Larkshall Road, London E4 9HH |
| **SOLICITORS** | Bentleys Solicitors, Saxon House, 182 Hoe Street, Walthamstow, London E17 4QH<br>Russell-Cooke, Sinclair Taylor & Martin, The Charity Team, 2 Putney Hill, London SW15 6AB |
| **BANKERS** | CAF BANK Limited, 25 Kings Hill Ave, Kings Hill, West Malling, Kent ME19 4JQ |

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

# R L GLASSPOOL CHARITY TRUST

We have audited the financial statements of R L Glasspool Charity Trust for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. 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.

## RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

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

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:-

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:-

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; 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.

Bridge House
London Bridge
London SE1 9QR

Wilkins Kennedy LLP
Chartered Accountants
and Statutory Auditors

Date 8 December 2016

# R L GLASSPOOL CHARITY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES
### FOR THE YEAR ENDED 31 MARCH 2016

| | General Fund £ | Designated Funds £ | Endowment Fund £ | Total 2016 £ | Total 2015 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations | 393 | - | - | 393 | 338 |
| Investments (Note 2) | 1,616,657 | - | - | 1,616,657 | 1,785,984 |
| Charitable activities (Note 3) | 312,915 | - | - | 312,915 | 55,000 |
| **Total income** | 1,929,965 | - | - | 1,929,965 | 1,841,322 |
| **Expenditure on:** | | | | | |
| **Raising Funds** | | | | | |
| Property management costs (Note 4) | 134,234 | 80,161 | - | 214,395 | 329,738 |
| Investment management costs | - | - | 12,955 | 12,955 | 13,359 |
| | 134,234 | 80,161 | 12,955 | 227,350 | 343,097 |
| **Charitable activities** (Note 5) | | | | | |
| Grants | 1,455,457 | - | - | 1,455,457 | 1,349,221 |
| Costs of grant making | 319,451 | - | - | 319,451 | 281,720 |
| | 1,774,908 | - | - | 1,774,908 | 1,630,941 |
| **Total expenditure** | 1,909,142 | 80,161 | 12,955 | 2,002,258 | 1,974,038 |
| **Net expenditure before gains and losses on investments** | 20,823 | (80,161) | (12,955) | (72,293) | (132,716) |
| Gains/(losses) on investment assets (Notes 9 and 11) | (55,665) | - | 125,644 | 69,979 | 4,565,760 |
| Gains/(losses) on pension scheme (Note 17) | (54,669) | - | - | (54,669) | 641 |
| **Net Income** | (89,511) | (80,161) | 112,689 | (56,983) | 4,433,685 |
| **Transfers between funds** | (221,540) | 221,540 | - | - | - |
| **Net movement in funds** | (311,051) | 141,379 | 112,689 | (56,983) | 4,433,685 |
| **Reconciliation of funds:** | | | | | |
| Total funds at 1 April 2015 | 1,261,310 | 358,621 | 37,652,968 | 39,272,899 | 34,839,214 |
| Total funds at 31 March 2016 (Note 14) | **£950,259** | **£500,000** | **£37,765,657** | **£39,215,916** | **£39,272,899** |

The notes on pages 26 to 36 form part of these financial statements.
There were no recognised gains and losses other than those shown in the above statement.
No activities were acquired or discontinued during the year under review.

# R L GLASSPOOL CHARITY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES
### FOR THE YEAR ENDED 31 MARCH 2016

| Comparative year information Year Ended 31 March 2015 | General Fund £ | Designated Funds £ | Endowment Fund £ | Total 2015 £ |
|---|---|---|---|---|
| **Income from:** | | | | |
| Donations | 338 | - | - | 338 |
| Investments (Note 2) | 1,785,984 | - | - | 1,785,984 |
| Charitable activities (Note 3) | 55,000 | - | - | 55,000 |
| **Total income** | 1,841,322 | - | - | 1,841,322 |
| **Expenditure on:** | | | | |
| **Raising Funds** | | | | |
| Property management costs (Note 4) | 182,449 | 147,289 | - | 329,738 |
| Investment management costs | - | - | 13,359 | 13,359 |
| | 182,449 | 147,289 | 13,359 | 343,097 |
| **Charitable activities** (Note 5) | | | | |
| Grants | 1,349,221 | - | - | 1,349,221 |
| Costs of grant making | 281,720 | - | - | 281,720 |
| | 1,630,941 | - | - | 1,630,941 |
| **Total expenditure** | 1,813,390 | 147,289 | 13,359 | 1,974,038 |
| **Net expenditure before gains and losses on investments** | 27,932 | (147,289) | (13,359) | (132,716) |
| Gains/(losses) on investment assets (Notes 9 and 11) | 82,401 | - | 4,483,359 | 4,565,760 |
| Gains/(losses) on pension scheme | 641 | - | - | 641 |
| **Net Income** | 110,974 | (147,289) | 4,470,000 | 4,433,685 |
| **Transfers between funds** | (100,000) | 100,000 | - | - |
| **Net movement in funds** | 10,974 | (47,289) | 4,470,000 | 4,433,685 |
| **Reconciliation of funds:** | | | | |
| Total funds at 1 April 2014 | 1,250,336 | 405,910 | 33,182,968 | 34,839,214 |
| Total funds at 31 March 2015 | **£1,261,310** | **£358,621** | **£37,652,968** | **£39,272,899** |

The notes on pages 26 to 36 form part of these financial statements.

# R L GLASSPOOL CHARITY TRUST

## BALANCE SHEET

### AT 31 MARCH 2016

| | Notes | 2016 £ | 2016 £ | 2015 £ | 2015 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible | 8 | | 46,293 | | 56,504 |
| Investments - freehold land and buildings | 9a | 866,250 | | 16,677,750 | |
| - other | 9b | 36,899,407 | | 20,975,218 | |
| | | | 37,765,657 | | 37,652,968 |
| | | | 37,811,950 | | 37,709,472 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 10 | 39,227 | | 108,924 | |
| Investments | 11 | 1,393,179 | | 1,448,844 | |
| Short term deposits | | 1,645 | | 1,645 | |
| Cash at bank and in hand | | 246,280 | | 227,543 | |
| | | 1,680,331 | | 1,786,956 | |
| **CREDITORS:** Amounts falling due within one year | 12 | (215,082) | | (216,915) | |
| **NET CURRENT ASSETS** | | | 1,465,249 | | 1,570,041 |
| Provision for liabilities and charges | 17 | | (61,283) | | (6,614) |
| **NET ASSETS** | | | **£39,215,916** | | **£39,272,899** |
| **CAPITAL FUND** | | | | | |
| Endowments | 13 | | 37,765,657 | | 37,652,968 |
| **INCOME FUNDS** | | | | | |
| Unrestricted funds: | | | | | |
| Designated funds | 15 | 500,000 | | 358,621 | |
| Other charitable funds | | 950,259 | | 1,261,310 | |
| | | | 1,450,259 | | 1,619,931 |
| | | | **£39,215,916** | | **£39,272,899** |

The notes on pages 26 to 36 form part of these financial statements.

Approved by the Board of Trustees on 2 December 2016 and signed on its behalf by:

Keith Nunn ........................................ - Trustee

# R L GLASSPOOL CHARITY TRUST

## STATEMENT OF CASH FLOWS

### YEAR ENDED 31 MARCH 2016

| | Notes | 2016<br>£ | 2015<br>£ |
|---|---|---|---|
| **Cash flow from operating activities** | 18 | (1,610,128) | (1,805,844) |
| | | | |
| **Cash flow from investing activities** | | | |
| Payments to acquire fixed asset investments | | (16,493,967) | (1,684,463) |
| Receipts from sales of fixed asset investments | | 16,506,922 | 1,697,822 |
| Dividends and interest received | | 1,179,543 | 1,011,953 |
| Rents received from investment properties | | 437,114 | 774,031 |
| Purchase of tangible fixed assets | | (747) | (60,841) |
| **Net cash flow from investing activities** | | 1,628,865 | 1,738,502 |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | 18,737 | (67,342) |
| **Cash and cash equivalents at 1 April 2015** | | 229,188 | 296,530 |
| **Cash and cash equivalents at 31 March 2016** | | **£247,925** | **£229,188** |
| | | | |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | 246,280 | 227,543 |
| Short term deposits | | 1,645 | 1,645 |
| **Cash and cash equivalents at 31 March 2016** | | **£247,925** | **£229,188** |

The notes on pages 26 to 36 form part of these financial statements.

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES

***a) Basis of preparation of financial statements***

R L Glasspool Charity Trust is a registered charity in the United Kingdom. The address of the registered office is given in the charity information on page 20 of these financial statements. The nature of the charity's operations and principal activities are the relief of persons who are in need, hardship or distress; or sick, convalescent, disabled or infirm.

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

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in the accounting policy below.

***b) Reconciliation with previous Generally Accepted Accounting Practice***

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed.

In accordance with the requirements of FRS102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/ (losses) as a component of reported income and the presentation of the present value of the pension provision as per Note 17.

| | £ |
|---|---|
| Total funds at 1 April 2014 | 34,846,469 |
| Adjustment for pension provision | (7,255) |
| Total funds at 1 April 2014 restated | 34,839,214 |
| Net expenditure as previously stated | (132,716) |
| Adjustment for gains/(losses) on investments now headed as a component of net income | 4,565,760 |
| Adjustment for gains/(losses) on pension scheme | 641 |
| Total funds 31 March 2015 as restated | **£39,272,899** |

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016

(Continued)

1. **ACCOUNTING POLICIES (cont'd)**

***c) Incoming Resources***

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Grants are recognised in full in the year in which they are receivable.

***d) Resources expended***

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Cost of generating funds includes investment management fees and direct property costs.

- Direct charitable expenditure consists of direct and indirect costs associated with the main activities of the Trust.

- Governance costs include external audit, legal advice on governance matters and Trustees' expenses.

Grants are accounted for in the year they are approved, irrespective of the period covered by the grants.

***e) Support costs allocation***

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

All support costs are allocated against charitable activities.

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016
(Continued)

1. **ACCOUNTING POLICIES (cont'd)**

***f) Office furniture and equipment***

Office furniture and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Purchases of assets of value £1,000 and over are capitalised. Depreciation is provided on all capitalised assets at rates estimated to write off the cost less estimated residual value, of each asset over its expected useful life as follows:

Office furniture and equipment - 3 years straight line

***g) Capitalisation of refurbishment costs***

Costs of refurbishing properties where a regulated tenancy becomes an assured short-hold tenancy are capitalised as incurred.

Costs of other refurbishments (to assured and assured short-hold tenancies) are capitalised only for works which represent improvements.

***h) Investment assets***

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains/(losses) on investments" in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

***i) Debtors and creditors receivable / payable within one year***

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

***j) Funds***

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

The permanent endowment fund is a capital fund where there is no power to convert the capital into income, it must generally be held indefinitely.

The Trustees have designated certain funds for specific purposes. These are set out in Note 15.

***k) Pensions***

A number of employees belong to the Pension's Trust Career Average Revalued Earnings ("CARE") Pension Scheme, which is a defined benefit scheme. As it is not possible to identify the charity's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis, contributions are charged to the income and expenditure account as they are paid. The charity also makes contributions to the scheme in relation to a deficit on a past employees' defined benefit scheme and in accordance with FRS 102 the charity recognises the present value of contributions payable.

***l) Operating Lease***

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016
(Continued)

**1. ACCOUNTING POLICIES (cont'd)**

***m) Taxation***
The charity is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

***n) Going Concern***
The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

***o) Judgements and key sources of estimation uncertainty***
Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

*Useful economic lives of tangible assets*
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the tangible fixed assets, and note 1.f for the useful economic lives for each class of assets.

*Pensions*
The present value of the pension provisions depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in the rate of discount, which is disclosed in note 17, will impact the carrying amount of the pension scheme

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2. INCOME FROM INVESTMENTS**

| | 2016 £ | 2015 £ |
|---|---|---|
| Income from properties | 437,114 | 774,031 |
| Other investment income | 1,179,543 | 1,011,953 |
| | **£1,616,657** | **£1,785,984** |

**3. INCOME FROM CHARITABLE ACTIVITIES**

| | 2016 £ | 2015 £ |
|---|---|---|
| Grants | 312,915 | 55,000 |
| | **£312,915** | **£ 55,000** |

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2016**
(Continued)

### 4. PROPERTY MANAGEMENT COSTS

| | 2016 £ | 2015 £ |
|---|---|---|
| Property repairs | 80,162 | 147,289 |
| Professional fees | 1,020 | 10,007 |
| Other property direct costs | 133,213 | 172,442 |
| | **£ 214,395** | **£ 329,738** |

### 5. CHARITABLE ACTIVITIES

| | 2016 £ | 2016 £ | 2015 £ | 2015 £ |
|---|---|---|---|---|
| Staff costs: | | | | |
| Wages and salaries | 151,453 | | 150,075 | |
| Social security costs | 10,800 | | 10,919 | |
| Other pension costs | 22,100 | | 15,698 | |
| | | 184,353 | | 176,692 |
| Office costs: | | | | |
| Premises | 22,839 | | 22,237 | |
| Office repairs and maintenance | 27,445 | | 16,692 | |
| Professional fees | 10,970 | | 35 | |
| Miscellaneous | 30,296 | | 24,644 | |
| Depreciation – owned assets | 10,958 | | 5,472 | |
| | | 102,508 | | 69,080 |
| Courses, conferences, literature and subscriptions | | 3,507 | | 4,688 |
| Fees paid to auditors for accountancy and payroll services | | 13,020 | | 12,000 |
| Governance (note 7) | | 16,063 | | 19,260 |
| | | 319,451 | | 281,720 |
| Grants | | 1,455,457 | | 1,349,221 |
| | | **£1,774,908** | | **£1,630,941** |
| Average number of employees | | **6** | | **6** |
| Number accruing retirement benefits under defined benefit pension schemes. | | **5** | | **5** |

No employee received remuneration in excess of £60,000 (2015: none). No trustee received remuneration in the year (2015: none).

All grants to organisations are administered for the benefit of named individuals.

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016
(Continued)

**6. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES**

The trustees did not receive any remuneration during the year (2015: £Nil).

The total amount of employee benefits received by key management personnel is £75,779 (2015 - £75,768). The Trust considers its key management personnel to compromise its Chief Executive Officer and Deputy Chief Executive Officer.

All trustees had expenses reimbursed during the year totalling £1,482 (2015: £2,028) for travelling, and subsistence.

**7. GOVERNANCE COSTS**

| | 2016<br>£ | 2015<br>£ |
|---|---|---|
| Audit fees | 5,460 | 5,460 |
| Trustees meetings and expenses | 2,243 | 2,422 |
| Trustees training | 1,300 | 1,318 |
| Trustees indemnity insurance | 1,060 | 1,060 |
| Independent financial advice | 6,000 | 9,000 |
| | **£ 16,063** | **£ 19,260** |

**8. TANGIBLE FIXED ASSETS**

| | Office Furniture & Equipment<br>£ |
|---|---|
| **COST** | |
| At 1 April 2015 | 103,321 |
| Additions in year | 747 |
| At 31 March 2016 | 104,068 |
| **DEPRECIATION** | |
| At 1 April 2015 | 46,817 |
| Charge for year | 10,958 |
| At 31 March 2016 | 57,775 |
| **NET BOOK VALUE** | |
| **31 March 2016** | **£ 46,293** |
| 31 March 2015 | £ 56,504 |

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016
(Continued)

| | | 2016 | 2015 |
|---|---|---|---|
| **9.** | **FIXED ASSET INVESTMENTS** | **£** | **£** |
| | **a) Freehold land and buildings** | | |
| | Market value 1 April 2015 | 16,677,750 | 13,702,750 |
| | Additions in year | 52,394 | 12,489 |
| | Disposals in year | (16,304,156) | (79,280) |
| | Revaluation in the year | 440,262 | 3,041,791 |
| | Market value 31 March 2016 | **£866,250** | **£16,677,750** |
| | Historical cost 31 March 2016 | **£ 53,687** | **£418,316** |

Freehold land and buildings were revalued as at 31 March 2015 by Clarke Hillyer, Chartered Surveyors, on an open market value basis in accordance with the Guidelines issued by the Royal Institute of Chartered Surveyors. The valuation has been reappraised and updated by the trustees at 31 March 2016 in conjunction with Clarke Hillyer.

**b) Other**

| | **Market value 1 April 2015** | **Acquired in year** | **Disposed In year** | **Increase/ (decrease) in market value** | **Market value 31 March 2016** |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | **£** | **£** |
| COIF Property Fund | 2,730,966 | 1,100,000 | - | 142,610 | 3,973,576 |
| COIF Investment Fund | 242,497 | - | - | (9,961) | 232,536 |
| COIF Global Equity | 5,036,672 | 2,700,000 | - | (235,031) | 7,501,641 |
| COIF Fixed Interest Fund | 172,326 | - | - | (4,377) | 167,949 |
| Charities Property Fund | 2,011,552 | 2,600,000 | - | 138,933 | 4,750,485 |
| M&G Charifund Investment Fund | 4,624,747 | 2,700,000 | - | (266,650) | 7,058,097 |
| M&G Charibond | 644,139 | - | - | (17,966) | 626,173 |
| 3i Infrastructure Investment Trust | 784,224 | - | - | (24,232) | 759,992 |
| “Vestra” Portfolio (see below) | 2,287,050 | 141,573 | (154,528) | (180,201) | 2,093,894 |
| John Laing Infrastructure | 757,764 | 2,100,000 | - | 1,627 | 2,859,391 |
| Infrastructure – HICL | 822,174 | 2,100,000 | - | 101,375 | 3,023,549 |
| Smith & Williamson –OLIM | 810,823 | - | - | (23,176) | 787,647 |
| Artemis - Global Equity Income Fund | - | 1,000,000 | - | 44,134 | 1,044,134 |
| Unicorn UK Income Fund Inst B Income | - | 2,000,000 | - | 18,297 | 2,018,297 |
| Short term deposits | 765 | | - | - | 765 |
| Cash at bank | 49,519 | | (48,238) | - | 1,281 |
| Total | **£20,975,218** | **£16,441,573** | **£(202,766)** | **£(314,618)** | **£36,899,407** |
| Historical cost | **£18,664,293** | | | | **£34,867,715** |

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016
(Continued)

**9. FIXED ASSET INVESTMENTS (cont'd)**

| | 2016<br>£ | 2015<br>£ |
|---|---|---|
| "Vestra" investment portfolio asset allocation: | | |
| Bonds/fixed interest | 285,366 | 414,549 |
| Equities – United Kingdom | 1,118,489 | 1,162,453 |
| Equities – Overseas | 591,137 | 578,025 |
| Property | 57,520 | 126,300 |
| Cash awaiting investment | 41,382 | 5,723 |
| | **£2,093,894** | **£ 2,287,050** |

All investments are carried at their fair value. Investments in equities 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).

**10. DEBTORS**

| | 2016<br>£ | 2015<br>£ |
|---|---|---|
| Rent arrears | - | 38,841 |
| Prepayments and accrued interest | 19,541 | 26,853 |
| Other debtors | 19,686 | 43,230 |
| | **£39,227** | **£ 108,924** |

**11. CURRENT ASSET INVESTMENTS**

| | Market value 1 April 2015<br>£ | Acquired in year<br>£ | Disposed In year<br>£ | Increase/ (decrease) in market value<br>£ | Market value 31 March 2016<br>£ |
|---|---|---|---|---|---|
| COIF Investment Fund | 496,346 | - | - | (20,470) | 475,876 |
| COIF Fixed Interest Fund | 10,386 | - | - | (264) | 10,122 |
| M&G Charifund Investment Fund | 942,112 | - | - | (34,931) | 907,181 |
| Total | **£1,448,844** | **£ -** | **£ -** | **£ (55,665)** | **£1,393,179** |
| Historical cost | **£1,012,724** | | | | **£1,012,724** |

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

**12. CREDITORS:** Amounts falling due within one year

| | 2016<br>£ | 2015<br>£ |
|---|---|---|
| Accruals | **£215,082** | **£ 216,915** |

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2016**
(Continued)

### 13. ENDOWMENTS

Permanent endowments
The funds were established under a Deed of Trust dated 24 July 1939 and a Supplemental Deed of Trust dated 29 July 1947 by the late Mr R L Glasspool. The Deeds of Trust were replaced by a Scheme dated 17 November 1998 under the Charities Act 1993. The aims of the Trust are stated on page 4 of the Annual Report. All incoming resources from permanent endowments are unrestricted.

### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Endowment Funds £ | Total Funds 2016 £ | Total Funds 2015 £ |
|---|---|---|---|---|
| Fixed assets | 46,293 | 37,765,657 | 37,811,950 | 37,709,472 |
| Net current assets | 1,465,249 | - | 1,465,249 | 1,570,041 |
| | 1,511,542 | 37,765,637 | 39,277,199 | 39,279,513 |
| Pension liability | (61,283) | - | (61,283) | (6,614) |
| | **£1,450,259** | **£37,765,657** | **£39,215,916** | **£39,272,899** |

### 15. DESIGNATED FUNDS

| | Balance 1 April 2015 £ | Expenditure in year £ | Transfers £ | Balance 31 March 2016 £ |
|---|---|---|---|---|
| Property repairs reserve | 108,621 | (80,161) | (28,460) | - |
| Pension reserve | 250,000 | - | 250,000 | 500,000 |
| | **£358,621** | **£(80,162)** | **£221,540** | **£500,000** |

Property repairs reserve:- the fund was set aside for property repairs and has now been released following the disposal of the remainder of the charity's properties.

Pension reserve:- this fund is the estimated amount of employer debt payable in addition to the pension liability on withdrawal from the Pension Trust.

### 16. FINANCIAL COMMITMENTS

At 31 March 2016, the Trust had annual commitments under operating leases, total future minimum finance lease payments are as follows:

| | Land and Buildings | | Other | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Not later than one year | 15,600 | 15,600 | 834 | 834 |

**17. PENSION**

A number of the charity's employees are members of the Pension's Trust Career Average Revalued Earnings ("CARE") Pension Scheme, which is a defined benefit scheme with the assets being held in a Trustee administered funds. Employer contributions are set at 11.5% of pensionable salary.

A full actuarial valuation for the scheme was carried out at 30 September 2013. This actuarial valuation showed assets of £35.56m, liabilities of £51.94m and a deficit of £16.38m.

However, as stated in note 1k, it is not possible to separately identify the charitable company's share of the underlying assets and liabilities on a consistent and reasonable basis. As a result for the purpose of these financial statements this scheme is treated as a defined contribution scheme with contributions charged to the income and expenditure accounts as they are paid.

The contributions of the charity during the year amounted to £22,100 (2015: £15,698). There were no contributions due at 31st March 2016. Contributions toward the deficit for the coming year are £5,786 increasing by 3% annually. The charity has recognised a liability measured as the present value of the contributions payable that arise from the deficit recovery.

**Present value of provision**

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Present value of deficit provision | 61,283 | 6,614 |

**Reconciliation of opening and closing provisions**

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Provision at start of period | 6,614 | 7,255 |
| Unwinding of the discount factor | 167 | 271 |
| Deficit contribution paid | (4,483) | (955) |
| Remeasurements – impact of any changes in assumptions | 639 | 43 |
| Remeasurements – amendments to the contribution schedule | 58,346 | - |
| Provision at end of period | 61,283 | 6,614 |

**Assumptions**

| | 31 March 2016 | 31 March 2015 | 31 March 2014 |
|---|---|---|---|
| | % per annum | % per annum | % per annum |
| Rate of discount | 3.6 | 3.8 | 4.0 |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

# R L GLASSPOOL CHARITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016
(Continued)

**18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | 2016 £ | 2015 £ |
|---|---|---|
| Net income before gains/(losses) on investments and pensions | (72,293) | (132,716) |
| Dividends and interest received | (1,179,543) | (1,011,953) |
| Rents received from investment properties | (437,114) | (774,031) |
| Depreciation and impairment of tangible fixed assets | 10,958 | 5,472 |
| Decrease in debtors | 69,697 | 41,630 |
| (Decrease) / increase in creditors | (1,833) | 65,754 |
| Net cash flow from operating activities | **£(1,610,128)** | **£(1,805,844)** |

**19. RELATED PARTY TRANSACTIONS**

During the year there were no related party transactions (2015: none), other than the reimbursement of trustees travelling expenses (Note 6).

Glasspool
Charity Trust

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