

THE THREE GUINEAS TRUST

ANNUAL REPORT

5 APRIL 2018

The Peak
5 Wilton Road
London SW1V 1AP

THE THREE GUINEAS TRUST

CONTENTS		PAGE
1	The Trustees' Report	2-6
2	Statement of Financial Activities	7
3	Balance Sheet	8
4	Cash Flow Statement	9
5	Notes to the Accounts	10-17
6	Statement of Trustees' Responsibilities	18
7	Independent Auditors' Report	19-21

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	Miss C N Sainsbury (Settlor) Mr D Wood Mr D Flynn
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP
Principal Officers	Mr A Bookbinder Director (to 31 August 2018) Mr R Bell Director (from 1 September 2018) Mrs K Everett Finance Director Mr M Williams 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 Trust does not raise funds from the public.

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 one new grant 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 £899,630 to clear the deficit on unrestricted funds.

Although some grants have been accrued, others totalling £331,070 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, although formal commitments have not yet been made.

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 2018, the Trust held total funds of £25.2 million.

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.

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

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 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 £24.6 million at 5 April 2017 to £25.2 million at 5 April 2018. The rise of 2.4% 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 £404,085, a 5.8% increase on the previous year.

During the year the Trustees approved 27 grants totalling £976,160 some payable over more than one year. At the end of the year, outstanding commitments entered into during 2017/18 and earlier years, and which are not provided for in the accounts, amounted to £316,070 (see note 3).

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

	Grants approved		Grants paid	
	Number	£	Number	£
Autism	25	428,660	33	427,643
Disability, Violence and Access to Justice	1	543,000	16	715,208
General	1	4,500	3	11,500
	27	976,160	52	1,154,351

Future Plans

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

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Advisers

In the year under review the Trustees were advised by:

Professor Uta Frith
Bethan Rigby
John Pring

Grants Approved

Autism - £428,660

Autism Bedfordshire - £79,500

Towards the cost of 2 development officers.

Kith & Kids - £63,420

Towards testing replication of its model for meeting the long-term social, leisure, health, work training and respite needs of adults with autism in north London.

Lothian Autistic Society - £45,000

Towards Basecamp2, a youth work project.

Red2Green - £75,000

Towards providing personalised social support to people with autism in Cambridgeshire.

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	£9,840
Carmarthenshire Autism Community Group	£7,500
DASH Ceredigion	£8,000
Dreadnought Centre	£6,000
Halton Autistic Family Support Group	£10,000
Helping Hands Autism Support Group	£5,000
Hillingdon Autistic Care and Support	£9,000
KIDS Yorkshire & Humber	£10,000
KIDS Lincolnshire	£5,000
Killamarsh Autistic and PDA Support Group	£9,000

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Kirkleatham SNAP	£5,000
Lambeth Autism Group	£5,000
National Autistic Society South Belfast	£8,400
Project Art Works	£8,000
Resources for Autism (2 grants)	£18,000
Spectrum	£6,000
Wecan	£8,000
White Lodge Centre	£8,000

Disability, Violence and Access to Justice - £543,000

Inclusion London - £543,000

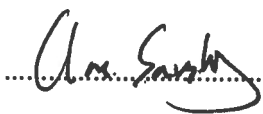
Towards the Hate Crime Consortium, which aims to establish a hate crime awareness, advice and policy advocacy service, the Disability Justice project, which aims to continue a network of disabled people, advice workers and lawyers interested in advancing existing rights to goods and services, the Reclaiming our Futures Alliance, which chiefly concentrates on ensuring rights advanced by the UN Convention on Rights of Persons with Disabilities, and development of several London-based deaf and disabled people's organisations with a view to these operating as independent, sustainable concerns.

General - £4,500

The Sainsbury Archive - £4,500

Annual running costs and project archivist.

Approved by the Trustees on 15 November 2018 and signed on their behalf by:



TRUSTEE

THE THREE GUINEAS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2018

	Notes	Unrestricted Funds	Expendable Endowment	Total Funds 2018	Total Funds 2017
		£	£	£	£
Income and Endowment from:					
Donations and gifts		-	1,125,000	1,125,000	1,250,000
Investments	2	388,807	-	388,807	365,572
Bank deposit interest and other income		14,946	-	14,946	7,678
Interest on short term deposits		332	-	332	8,651
Total Income		404,085	1,125,000	1,529,085	1,631,901
Expenditure on:					
<i>Raising funds:</i>					
Investment management fees		-	118,671	118,671	107,104
<i>Charitable activity:</i>					
<i>Grant-making:</i>					
Grant expenditure	3	1,200,581	-	1,200,581	1,510,012
Grant related support costs	4	103,134	-	103,134	118,131
Total Expenditure		1,303,715	118,671	1,422,386	1,735,247
Net operating surplus / (deficit)		(899,630)	1,006,329	106,699	(103,346)
Gains on investment assets		-	447,155	447,155	2,724,202
Transfers between funds		899,630	(899,630)	-	-
Net movement in funds		-	553,854	553,854	2,620,856
<i>Reconciliation of funds:</i>					
Total funds brought forward		-	24,633,089	24,633,089	22,012,233
Total funds carried forward		-	25,186,943	25,186,943	24,633,089

The notes on pages 10 to 17 form part of these accounts.

THE THREE GUINEAS TRUST

BALANCE SHEET AS AT 5 APRIL 2018

	<i>Notes</i>	<u>2018</u>	<u>2017</u>
		£	£
FIXED ASSETS			
Tangible fixed assets	6	5,440	6,800
Investments	7	<u>22,426,884</u>	<u>21,478,923</u>
		22,432,324	21,485,723
CURRENT ASSETS			
Debtors	8	229,603	-
Cash at bank and in hand		<u>3,772,627</u>	<u>4,352,135</u>
		4,002,230	4,352,135
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	9	<u>1,247,611</u>	<u>1,204,769</u>
		1,247,611	1,204,769
NET CURRENT ASSETS		2,754,619	3,147,366
NET ASSETS		<u><u>25,186,943</u></u>	<u><u>24,633,089</u></u>
CAPITAL FUNDS			
Expendable endowment	10	25,186,943	24,633,089
		<u><u>25,186,943</u></u>	<u><u>24,633,089</u></u>

The financial statements were approved and authorised for issue by the Trustees on 15 November 2018 and were signed on their behalf by :



TRUSTEE

The notes on pages 10 to 17 form part of these accounts.

THE THREE GUINEAS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2018

RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2018</u>	<u>2017</u>
	£	£
Net cash (used in) operating activities	<u>(1,203,702)</u>	<u>(863,242)</u>
Cash flows from investing activities:		
Purchase of investments	(2,467,252)	(3,189,141)
Sale of investments	1,975,542	3,438,150
Net cash provided by investing activities	(491,710)	249,009
Cash flows from financing activities:		
Receipt of expendable endowment	1,125,000	1,250,000
(Decrease)/ increase in cash	<u>(570,412)</u>	<u>635,767</u>

Reconciliation of net cash (used in) operating activities

	<u>2018</u>	<u>2017</u>
	£	£
Net movement in funds	553,854	2,620,856
Deduct gift of endowment	(1,125,000)	(1,250,000)
(Gains) on investments	(447,155)	(2,724,202)
Depreciation charges	1,360	1,360
(Increase)/ Decrease in debtors	(229,603)	4,251
Increase in creditors	42,842	484,493
	<u>(1,203,702)</u>	<u>(863,242)</u>

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

	<u>2018</u>	<u>2017</u>	<i>Change in year</i>
Cash at bank and in hand	794,995	355,084	439,911
Cash balances held by investment manager for reinvestment	2,977,632	3,997,051	(1,019,419)
Liquid assets held as Fixed Asset Investments (Note 7)	2,586,928	2,577,832	9,096
	<u>6,359,555</u>	<u>6,929,967</u>	<u>(570,412)</u>

The notes on pages 10 to 17 form part of these accounts.

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

1. 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The 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 3).

c) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities. Investments are shown at mid market value. Partial disposals are accounted for using average book 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)

1. 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 £3,773k (2017: £7,352k), financial assets at fair value of £22,427k (2017: £21,479k) and financial liabilities at amortised cost of £1,247k (2017: £1,205k).

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.

2. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2018		2017	
	£	%	£	%
Fixed interest	79,197	20	60,880	17%
UK equities	203,968	53	229,530	63%
Overseas equities	72,790	19	51,489	14%
Alternatives	32,852	8	23,673	6%
	<u>388,807</u>	<u>100</u>	<u>365,572</u>	<u>100%</u>

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

3. GRANTS PAYABLE

	2018		2017	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2017		1,162,360		681,635
Grants not accrued at 6 April 2017	575,491		316,644	
Grants approved in the year	976,160		1,768,859	
Grants cancelled or refunded	(20,000)		-	
Grants not accrued at 5 April 2018	<u>(331,070)</u>		<u>(575,491)</u>	
Grants payable for the year		1,200,581		1,510,012
Grants paid during the year		(1,154,351)		(1,029,287)
Commitments at 5 April 2018		<u>1,208,590</u>		<u>1,162,360</u>
Commitments at 5 April 2018 are payable as follows:				
		£		£
Within one year (note 9)		<u>1,208,590</u>		<u>1,162,360</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 2018 was £331,070 (2017: £575,491).

Grants payable in the year were:

	£
Autism	
Kith & Kids	63,420
Autism Bedfordshire	50,930
Sunbeams Play	50,000
Turning the Red Lights Green - Red2Green	50,000
Lothian Autistic Society	30,000
Resources for Autism	33,280
Autism Concern - Previously known as Northamptonshire	33,000
20 other grants for summer activity programmes	152,240
Disability, Violence and Access to Justice	
Inclusion London	362,000
Respond	199,638
Disability Law Service	80,000
Islington Law Centre	55,000
Harrow Law Centre	48,073
East Thames Group - Beverley Lewis House	10,000
General	
Sainsbury Archive	3,000
Cancelled Grants	(20,000)
Total grants payable per Statement of Financial Activities	<u>1,200,581</u>

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

4. ALLOCATION OF SUPPORT COSTS

	Grant- making	Governance	2018 Total Allocated	Grant- making	2017 Governance
	£	£	£	£	£
Staff costs	53,960	3,348	57,308	69,054	2,902
Share of joint office costs	15,350	-	15,350	11,046	-
Direct costs including travel	1,152	-	1,152	1,335	-
Legal and professional fees	4,256	-	4,256	7,270	-
Consultancy	20,000	-	20,000	21,564	-
Depreciation	1,360	-	1,360	1,360	-
Auditors' remuneration	-	3,708	3,708	-	3,600
	96,078	7,056	103,134	111,629	6,502

During the year no Trustee received any remuneration (2017: NIL).

5. ANALYSIS OF STAFF COSTS

	2018	2017
	£	£
Salaries and wages	46,433	57,906
Social security costs	5,572	6,737
Other pension costs	5,303	7,313
	57,308	71,956

As mentioned in Note 1(d), the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 1% 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 2017/18.

The actual number of staff employed during the period was 9, all on a part-time basis (2017: 9). This was equivalent to 0.7 full time employees (2017: 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 £39,796 (2017: £51,566). No employee of the charity earned in excess of £60,000 (2017: nil).

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

6. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2018	2017
	£	£
Cost		
At 6 April 2017	13,600	13,600
At 5 April 2018	13,600	13,600
Depreciation		
At 6 April 2017	6,800	5,440
Charge for the year	1,360	1,360
At 5 April 2018	8,160	6,800
Net Book Value		
At 5 April 2018	5,440	6,800
At 5 April 2017	6,800	8,160

7. FIXED ASSET INVESTMENTS

	2018	2017
	£	£
Market value 6 April 2017	18,901,091	16,425,899
Less: Disposals at carrying value	(1,679,722)	(2,962,788)
Add: Acquisitions at cost	2,467,066	3,189,141
Net gains on valuation	151,521	2,248,839
Market value 5 April 2018	19,839,956	18,901,091
Liquid assets	2,586,928	2,577,832
Total investments	22,426,884	21,478,923
Historical cost 5 April 2018	13,158,432	12,423,083

The investments held as at 5 April 2018 were as follows:

	2018		2017	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
UK fixed interest	2,154,980	2,151,163	1,794,108	1,879,784
UK equities	5,445,026	10,727,197	7,608,818	13,747,218
Overseas equities	4,769,728	6,230,352	2,231,459	2,475,137
Alternatives	788,698	731,244	788,698	798,952
	13,158,432	19,839,956	12,423,083	18,901,091
Liquid Assets	2,586,928	2,586,928	2,577,832	2,577,832
Total investments	15,745,360	22,426,884	15,000,915	21,478,923

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

8. DEBTORS

	2018	2017
	£	£
Income tax recoverable	225,000	-
Prepayments and Accrued Income	4,603	-
Shared office overheads and salaries	-	-
	229,603	-

9. CREDITORS - amounts falling due within one year

	2018	2017
	£	£
Grants payable within one year	1,208,590	1,162,360
Professional charges	3,708	7,235
Investment management fee	29,048	28,138
Other creditors	6,265	7,036
	1,247,611	1,204,769

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2018
	£	£	£
Fund balances at 5 April 2018 are represented by:			
Tangible fixed assets	-	5,440	5,440
Investments	-	22,426,884	22,426,884
Current assets	1,218,563	2,783,667	4,002,230
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

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Funds	Expendable Endowment	Totals 2017
	£	£	£
Fund balances at 5 April 2017 are represented by:			
Tangible fixed assets	-	6,800	6,800
Investments	-	21,478,923	21,478,923
Current assets	1,176,631	3,175,504	4,352,135
Current liabilities	(1,176,631)	(28,138)	(1,204,769)
Total net assets	-	24,633,089	24,633,089
Movement in the year			
Opening balance as at 5 April 2016	-	22,012,233	22,012,233
Total income and endowments	381,901	1,250,000	1,631,901
Cost of raising funds	-	(107,104)	(107,104)
Cost of grant-making	(1,628,143)	-	(1,628,143)
Net gains on investments	-	2,724,202	2,724,202
Transfers between funds	1,246,242	(1,246,242)	-
Closing balance as at 5 April 2017	-	24,633,089	24,633,089

11. RELATED PARTY TRANSACTIONS

Included within grant-related support costs is a total of £4,256 payable for legal services to Portrait Solicitors, a firm in which Mr D Flynn is a partner.

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS continued

12. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2017

	Unrestricted Funds	Expendable Endowment	Total Funds 2017
	£	£	£
Income and Endowment from:			
Donations and gifts	-	1,250,000	1,250,000
Investments	365,572	-	365,572
Bank deposit interest and other income	7,678	-	7,678
Interest on short term deposits	8,651	-	8,651
Total Income	381,901	1,250,000	1,631,901
Expenditure on:			
<i>Cost of generating funds:</i>			
Investment management costs	-	107,104	107,104
<i>Charitable activity:</i>			
<i>Grant-making:</i>			
Grant expenditure	1,510,012	-	1,510,012
Grant related support costs	118,131	-	118,131
Total Expenditure	1,628,143	107,104	1,735,247
	(1,246,242)	1,142,896	(103,346)
Gains on investments	-	2,724,202	2,724,202
Transfers between funds	1,246,242	(1,246,242)	-
Net movement in funds	-	2,620,856	2,620,856
<i>Reconciliation of funds:</i>			
Total funds brought forward	-	22,012,233	22,012,233
Total funds carried forward	-	24,633,089	24,633,089

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 2018 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 2018 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 18], 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 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

14.12.18

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.