

THE THREE GUINEAS TRUST

ANNUAL REPORT

5 APRIL 2015

The Peak
5 Wilton Road
London SW1V 1AP

THE THREE GUINEAS TRUST

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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 (appointment on 27 November 2014) Mr D Flynn
Registered Office	The Peak 5 Wilton Road London SW1V 1AP
Principal Officers	Mr A Bookbinder Director Mr P Spokes Finance Director (to August 2015) Mrs K Everett Finance Director (from August 2015) Mr M Williams Executive
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ
Auditors	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Investment Managers	Schroder & Co Limited 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.

Organisation

The Trust is one of the Sainsbury Family Charitable Trusts which share a common administration.

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Scope of Grant-making

The Trustees accept applications for practical projects in the field of autistic spectrum disorder and Asperger syndrome. Proposals are considered alongside those that result from their own research and contacts with expert individuals and organisations working in this field. Trustees prefer to support schemes that can become self-sustaining. 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 autistic spectrum disorder.

Grants are not normally made to individuals.

In 2008 the Trustees extended their grant-making to the field of climate change and its consequences. They made a large grant to the University of Cambridge to construct a new global economic model of a world free from dependence on carbon. At present this is the only climate change project that Trustees have chosen to support.

In 2014, the Trustees began to explore the field of disability and violence. This year they funded two projects in this area, both concerned with the response to domestic violence. 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 £443,041 to clear the deficit on unrestricted funds.

Although some grants have been accrued, others totalling £212,580 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.

Investment Policy and Performance

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

Risk Assessment

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

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Charity and Public Benefit

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

Financial Review

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

The asset value of the Trust increased from £19.7 million at 5 April 2014 to £23.1 million at 5 April 2015, a rise of 17% due to the significant gift from the Settlor together with the investment gains arising from the portfolio.

Total incoming resources on unrestricted funds for the year were £317,773, a 4.8% increase on the previous year (2014: £303,135).

During the year the Trustees approved 32 grants totalling £724,646 some of which are payable over more than one year. At the end of the year, outstanding commitments which were entered into during 2014/15 and earlier years, and which are not provided for in the accounts, amounted to £212,580 (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 and Asperger Syndrome	29	377,486	51	589,114
Disability and Violence	2	344,000	1	26,000
General	1	3,160	1	1,400
	32	724,646	53	616,514

Advisers

The Trustees are advised by:

Professor Uta Frith
Bethan Rigby

Trustees would like to record their grateful thanks to Paul Spokes for his enormous contribution, help and assistance as Finance Director over the last 26 years. His care and attention have been unstinting and he will be greatly missed.

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Grants Approved

Autism and Asperger Syndrome - £377,486

Action for ASD - £30,000

Towards core costs.

Autism Hampshire - £100,000

Towards setting up social groups led by people with ASD.

Cheshire Autism Practical Support - £30,600

Towards employing a family support manager.

National Autistic Society - £8,000

Donation.

Media Academy Cardiff - £58,886

Towards development, characterisation and dissemination of its educational services for young people with ASD.

Grants have been made to the following beneficiaries towards summer activity programmes for children with autistic spectrum disorders:

	£
Autism Bedfordshire	5,000
Blackpool Tiggers	9,000
Brentford FC Community Sports Trust	5,000
Carmarthenshire Autism Community Group	5,000
CASPA	5,000
Disabilities & Self-Help (DASH)	5,000
Dreadnought Centre	5,000
Halton Autistic Family Support Group	10,000
Helping Hands AutismSupport Group	5,000
Hillingdon Autistic Care and Support	10,000
KIDS – Strut	5,000
KIDS – Yorkshire and Humber	9,000
Killamarsh Autistic & PDA Support Group	10,000
Lambeth Autism Group	1,000
National Autistic Society – Enniskillen Branch	9,000
National Autistic Society – Malone (South Belfast) Branch	8,000
Play Montgomeryshire	4,000
Project Art Works	5,000

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Resources for Autism	10,000
Spectrum	5,000
The New School	5,000
Trehafod Parent Support	5,000
Wecan – We Can Enable	5,000
White Lodge Centre	5,000

Disability and Violence- £344,000
--

Cheshire Without Abuse - £144,000

Towards its specialist support service for children with ASD who have experienced domestic violence.

East Living - £200,000

Towards the costs of a Behaviour Analyst, a Life Skills Co-ordinator, therapeutic services and other running costs at Beverley Lewis House.

General - £3,160

The Sainsbury Archive - £3,160

Towards core costs.

Approved by the Trustees on 16 November 2015 and signed on their behalf by:

..... TRUSTEE

THE THREE GUINEAS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2015

	Notes	Unrestricted Funds	Expendable Endowment	Total Funds 2015	Total Funds 2014
		£	£	£	£
Incoming resources					
Donations and gifts		-	2,875,000	2,875,000	1,675,000
Investment income	2	287,702	-	287,702	280,390
Bank deposit interest and other income		15,717	-	15,717	11,180
Interest on short term deposits		14,354	-	14,354	11,565
Total incoming resources		317,773	2,875,000	3,192,773	1,978,135
Resources expended					
Cost of generating funds:					
Investment management costs		-	120,917	120,917	106,630
Charitable activity					
Grant-making:					
Grant expenditure	3	688,386	-	688,386	1,132,436
Grant related support costs	4	66,560	-	66,560	53,202
Cost of grant-making		754,946	-	754,946	1,185,638
Governance costs	4	5,868	-	5,868	5,709
Total resources expended		760,814	120,917	881,731	1,297,977
Net resources expended before transfers		(443,041)	2,754,083	2,311,042	680,158
Transfers					
Gross transfers between funds		443,041	(443,041)	-	-
Net resources before other recognised gains and losses		-	2,311,042	2,311,042	680,158
Other Recognised Gains and Losses					
Gains on investment assets					
Realised		-	83,026	83,026	58,027
Unrealised	7,10	-	1,014,812	1,014,812	1,793,838
Net movement in funds		-	3,408,880	3,408,880	2,532,023
Reconciliation of funds					
Total funds brought forward		-	19,717,119	19,717,119	17,185,096
Total funds carried forward		-	23,125,999	23,125,999	19,717,119

The notes on pages 10 to 14 form part of these accounts.

There are no gains and losses in either the current or preceding year other than those recognised in the statement of financial activities.

THE THREE GUINEAS TRUST

BALANCE SHEET AS AT 5 APRIL 2015

	<i>Notes</i>	2015	2014
		£	£
FIXED ASSETS			
Tangible fixed assets	6	9,520	10,880
Investments	7	18,109,748	16,792,120
		<u>18,119,268</u>	<u>16,803,000</u>
CURRENT ASSETS			
Debtors	8	289,826	370,886
Cash at bank and in hand		5,766,149	3,524,680
		<u>6,055,975</u>	<u>3,895,566</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	9	1,049,244	981,447
		<u>1,049,244</u>	<u>981,447</u>
NET CURRENT ASSETS		5,006,731	2,914,119
NET ASSETS		<u>23,125,999</u>	<u>19,717,119</u>
CAPITAL FUNDS			
Expendable endowment	10	23,125,999	19,717,119
INCOME FUNDS			
Unrestricted funds	10	-	-
		<u>23,125,999</u>	<u>19,717,119</u>

The financial statements were approved and authorised for issue by the Trustees on 16 November 2015 and were signed on their behalf by :

.....

TRUSTEE

The notes on pages 10 to 14 form part of these accounts.

THE THREE GUINEAS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2015

RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net incoming resources	2,311,042	680,158
Depreciation charge	1,360	1,360
Decrease / (increase) in debtors	81,060	(337,383)
Increase in creditors	67,797	244,456
Net cash inflow from operating activities	<u>2,461,259</u>	<u>588,591</u>

CASH FLOW STATEMENT

	2015	2014
	£	£
Net cash inflow from operating activities	2,461,259	588,591
Capital expenditure and financial investment:		
Purchase of investments	(2,005,886)	(1,769,975)
Sale of investments	1,786,096	529,530
	<u>(219,790)</u>	<u>(1,240,445)</u>
Increase/ (decrease) in cash	<u>2,241,469</u>	<u>(651,854)</u>

Analysis of increase in cash during the year

	2015	2014	Change in year
	£	£	£
Cash at bank and in hand	<u>5,766,149</u>	<u>3,524,680</u>	<u>2,241,469</u>

The notes on pages 10 to 14 form part of these accounts.

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities", applicable accounting standards and the Charities Act 2011, and comply with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities

The principal accounting policies adopted are as follows:

a) Income

- (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 recorded only when it has been received.

b) Grants payable

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) Support costs

Most of these costs support the grant-making activity of the Trust and are so allocated. They comprise in the main a share of the staff and office costs of the joint office of the Sainsbury Family Charitable Trusts, which are allocated in proportion to time spent on Trust matters and grants paid.

e) Charitable activities

The Trustees consider that grant-making is the Trust's sole charitable activity.

f) 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 fees for statutory audit, legal fees where relevant, together with an allocation of support costs.

g) Depreciation

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

Leasehold improvements - 10% per annum

2. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2015		2014	
	£	%	£	%
UK fixed interest	65,280	23	73,440	26
UK equities	181,268	63	165,220	59
Overseas equities	41,154	14	41,730	15
	<u>287,702</u>	<u>100</u>	<u>280,390</u>	<u>100</u>

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

3. GRANTS PAYABLE

	2015		2014	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2014		938,708		693,776
Grants not accrued at 6 April 2014	180,320		491,726	
Grants approved in the year	724,646		821,030	
Grants cancelled or refunded	(4,000)		-	
Grants not accrued at 5 April 2015	(212,580)		(180,320)	
Grants payable for the year		688,386		1,132,436
Grants paid during the year		(616,514)		(887,504)
Commitments at 5 April 2015		<u>1,010,580</u>		<u>938,708</u>

Commitments at 5 April 2015 are payable as follows:

	2015		2014	
	£	£	£	£
Within one year (note 9)		<u>1,010,580</u>		<u>938,708</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 2015 was £212,580 (2014: £180,320).

Grants payable in the year were:

	£
Autism and Asperger Syndrome	
Action for ASD	25,000
Asperger East Anglia	22,750
Autism NI	33,000
Autism Hampshire	50,000
Cheshire Autism Practical Support Ltd	20,400
Cheshire Without Abuse	97,500
East Thames Group - Beverley Lewis House	100,000
Full of Life	37,000
National Autistic Society (NAS)	8,000
Onside Independent Advocacy	12,570
Media Academy Cardiff	58,886
Sunbeams Play	75,000
24 other grants for summer activity programmes	150,000
General	
The Sainsbury Archive	2,280
Grants cancelled, amended or refunded during the year	(4,000)
Total grants payable per Statement of Financial Activities	<u>688,386</u>

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

4. ALLOCATION OF SUPPORT COSTS

	Grant- making	Governance	2015 Total Allocated	Grant- making	2014 Governance
	£	£	£	£	£
Staff costs	47,082	2,418	49,500	26,439	2,361
Share of joint office costs	11,700	-	11,700	9,600	-
Direct costs including travel	857	-	857	750	-
Legal and professional fees	4,061	-	4,061	5,928	-
Consultancy	1,500	-	1,500	9,125	-
Depreciation	1,360	-	1,360	1,360	-
Auditors' remuneration	-	3,450	3,450	-	3,348
	66,560	5,868	72,428	53,202	5,709

Included above is £4,061 payable for legal services to Portrait Solicitors, a firm in which Mr D Flynn is a partner. No Trustee received remuneration or was reimbursed expenses during the year.

5. ANALYSIS OF STAFF COSTS

	2015	2014
	£	£
Salaries and wages	40,062	23,234
Social security costs	4,675	2,701
Other pension costs	4,763	2,865
	49,500	28,800

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. 1.3% 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 2014/15. Staff costs equivalent to 0.6 full time employees were charged to the Three Guineas Trust in 2014/15 (2013/14: 0.4).

6. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2015	2014
<u>Cost</u>	£	£
At 6 April 2014	13,600	13,600
Additions	-	-
Disposals	-	-
At 5 April 2015	13,600	13,600
<u>Depreciation</u>		
At 6 April 2014	2,720	1,360
On Disposals	-	-
Charge for the year	1,360	1,360
At 5 April 2015	4,080	2,720
NET BOOK VALUE		
At 5 April 2015	9,520	10,880
NET BOOK VALUE		
At 5 April 2014	10,880	12,240

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

7. FIXED ASSET INVESTMENTS

	2015	2014
	£	£
Market value 6 April 2014	16,792,120	13,699,810
Less: Disposals at carrying value	(1,703,070)	(471,503)
Add: Acquisitions at cost	2,005,886	1,769,975
Net gain/(losses) on valuation	1,014,812	1,793,838
Market value 5 April 2015	18,109,748	16,792,120
Historical cost 5 April 2015	12,280,060	11,369,013

The investments held as at 5 April 2015 were as follows:

	2015		2014	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Investment in listed UK and overseas securities				
UK fixed interest	1,544,978	1,636,896	1,544,978	1,495,728
UK equities	7,187,707	12,087,487	6,506,094	10,930,683
Overseas equities	2,141,456	2,979,446	2,056,376	3,104,144
Short term deposits	1,405,919	1,405,919	1,261,565	1,261,565
	12,280,060	18,109,748	11,369,013	16,792,120

8. DEBTORS

	2015	2014
	£	£
Income tax recoverable	275,000	335,000
Shared office overheads and salaries	14,826	35,886
	289,826	370,886

9. CREDITORS - amounts falling due within one year

	2015	2014
	£	£
Grants payable within one year	1,010,580	938,708
Professional charges	6,024	6,383
Investment management fee	32,640	28,356
Other creditors	-	8,000
	1,049,244	981,447

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2015
	£	£	£
Fund balances at 5 April 2015 are represented by:			
Tangible fixed assets	-	9,520	9,520
Investments	-	18,109,748	18,109,748
Current assets	1,016,604	5,039,371	6,055,975
Current liabilities	(1,016,604)	(32,640)	(1,049,244)
Total net assets	-	23,125,999	23,125,999

	Unrestricted Funds	Expendable Endowment	Totals 2015
	£	£	£
Unrealised gains			
On investment assets (see note below)	-	5,829,688	5,829,688
Total unrealised gains at 5 April 2015	-	5,829,688	5,829,688

Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 6 April 2014	-	5,423,107	5,423,107
Add in respect of disposals in year	-	(608,231)	(608,231)
	-	4,814,876	4,814,876
Add: net gains arising on revaluation in year	-	1,014,812	1,014,812
Unrealised gains at 5 April 2015, as above	-	5,829,688	5,829,688

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, the Charity (accounts and Reports) regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE THREE GUINEAS TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE THREE GUINEAS TRUST

We have audited the financial statements of The Three Guineas Trust for the year ended 5 April 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 10.

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).

This report is made solely to the charity's trustees, as a body, in accordance with 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 trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 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 Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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 5 April 2015 and of its outgoing 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 Report of the Trustees 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.

Crowe Clark Whitehill LLP
Statutory Auditor
London

St Bride's House
10 Salisbury Square
London EC4Y 8EH