

THE THREE GUINEAS TRUST

ANNUAL REPORT

5 APRIL 2021

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	C N Sainsbury (Settlor) D Wood D Flynn
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP
Principal Officers	Karen Everett Chief Operating Officer Matthew Williams Executive Elaine Ponte 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 55 Ludgate Hill London EC4M 7JW
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 staff 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 Settlor, in consultation with existing Trustees, and are provided with relevant information relating to their responsibilities. The Trustees are responsible for the overall direction and supervision of The Three Guineas Trust; they set the Trust's strategy, review proposals and approve grants. The Trustees delegate day-to-day operations to the Trust's Executives.

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

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

Scope of Grant-making

The Trustees accept applications for practical projects in the field of autism. Proposals are considered alongside those that result from their own research and contacts with expert individuals and organisations working in this field. The Trustees are keen that schemes supporting autistic adults and young people include them in decision-making.

Trustees also make grants in the field of disability, violence and access to justice. This year they made seven new grants in this area. Trustees expect to fund other carefully chosen projects in this field in due course.

Trustees do not generally fund research, especially if this is on autistic people. Grants are not normally made to individuals.

Reserves Policy

In the year under review, there was a transfer from expendable endowment of £1,924,943 (2020: £3,600,373) to clear the deficit on unrestricted funds. Whenever it may be necessary in the future, the Trustees are prepared to fund grant commitments from expendable endowment.

Although some grants have been accrued, others totalling £401,832 (2020: £973,934) 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 existing grant holders where formal commitments have been made but the grant conditions have not been met at the balance sheet date.

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

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 2021, the Trust held total funds of £26.4 million (2020: £21.5 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 accordance 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 Trust's investment portfolio performed strongly during the year and has recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year. The value of the investment portfolio increased from £19.4 million at 5 April 2020 to £24.9 million at 5 April 2021, and the portfolio earned £291,158 of income during the year (2020: £373,200).

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.

Trustees have identified the uncertainty of financial returns to constitute the Trust's major financial risk. This is mitigated by having a diversified financial portfolio under the management of a major investment house. The Trustees regularly review investment strategy and monitor financial performance.

Another major risk is the misuse of funds by a beneficiary. To mitigate this risk, funds are awarded following a thorough assessment and grants are regularly monitored. Grants made for more than one year are subject to an annual review.

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. Trustees consider that the information which follows in this annual report, about the Trust's aims, activities and individual grants demonstrates the public benefit that arise from its grant-making.

Advisers

In the year under review the Trustees were advised by:

Professor Uta Frith
Bethan Rigby
John Pring

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

Future Plans

The Trustees will continue to fund projects that support autistic people and their families. They will also continue to fund projects that give access to justice, and projects that prevent or ameliorate violence against disabled people.

Financial Overview of the Past Year

The Trustees met twice during the year to make grants.

The Settlor made a donation of £1.6 million, including Gift Aid, in the year (2020: £1.4 million), which has been added to Expendable Endowment. The net asset value of the Trust increased from £21.5 million at 5 April 2020 to £26.4 million at 5 April 2021, mainly due to the recovery of the investment portfolio which had reduced in value at the last year end as a result of the Covid-19 pandemic.

The total income allocated to unrestricted funds for the year was £305,704 (2020: £428,929).

During the year the Trustees approved 36 grants totalling £1,463,012, some payable over more than one year. At the end of the year, outstanding grant payments which are not provided for in the accounts amounted to £401,832 (2020: £973,934).

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	27	679,873	36	706,404
Disability, Violence and Access to Justice	7	748,139	27	1,251,015
General	2	35,000	6	2,285,000
	36	1,463,012	69	4,242,419

Grants Approved

Autism - £679,873

A2ndvoice CIC - £5,500

Towards IT equipment and related costs.

Action-attainment CIC- £60,000 over two years

Towards a salary for youth mentor and running costs.

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REPORT OF THE TRUSTEES (CONTINUED)

Autistic Society of Trinidad and Tobago - £20,000

Towards running costs.

Brentford FC Community Sports Trust - £70,000 over two years

Towards sports-based activities and social skills programme.

Project Art Works - £257,425 over three years

Towards running costs and development of peer-led support network.

Red2Green - £50,000 over two years

Towards continuing social skills programme.

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	£11,000
Disabilities and Self-Help (DASH)	£10,000
Dreadnought Centre	£10,000
Helping Hands Autism Support Group	£5,000
Hillingdon Autistic Care and Support	£12,640
KIDS Yorkshire & Humber	£15,607
KIDS Lincolnshire	£10,000
Killamarsh Autistic and PDA Support Group	£15,282
Kirkleatham SNAP	£10,000
Lambeth Autism Group	£9,327
National Autistic Society South Belfast	£13,440
PLUS Forth Valley	£11,089
Project Art Works	£10,000
REACH Lanarkshire Autism	£5,117
Resources for Autism	£15,000
Spectrum	£10,000
Wecan	£10,000
WHISH Group	£3,446
White Lodge Centre	£10,000

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REPORT OF THE TRUSTEES (CONTINUED)

Disability, Violence and Access to Justice - £748,139

British Institute of Human Rights - £38,300

Towards free online information and training on human rights.

Bristol Law Centre - £37,703

Towards extension of the student volunteer legal advice service.

Disability Law Service - £184,000 over two years

Towards the welfare benefits legal advice service.

Harrow Law Centre - £50,136 over two years

Towards the salary of a part-time specialist welfare rights worker.

Inclusion London - £50,000

Towards extra capacity for one year to support the Deaf and disabled people's organisations in London post-Covid-19.

L&Q Living - £288,000 over two years

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

Law Centres Network - £100,000

Towards the Justice Fund, which supports law centres in immediate need of revenue support.

General - £35,000

The Sainsbury Archive - £25,000 over five years

Towards running costs.

West London Zone - £10,000

Towards youth work, in particular to support the charity's Covid-19 response.

THE THREE GUINEAS TRUST

REPORT OF THE TRUSTEES (CONTINUED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

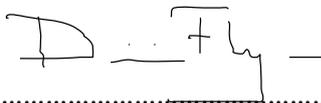
Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 Trustees' Report has been approved by the Trustees on 13 January 2022 and signed on their behalf by:



..... TRUSTEE

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 ('the charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2021 and of 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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Independent Auditor's Report to the Trustees of The Three Guineas Trust (continued)

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 requires 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 and proper accounting records have not been kept by the charity; 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 8, 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.

THE THREE GUINEAS TRUST

Independent Auditor's Report to the Trustees of The Three Guineas Trust (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

THE THREE GUINEAS TRUST

Independent Auditor's Report to the Trustees of The Three Guineas Trust (continued)

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Date 3 February 2022

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.

THE THREE GUINEAS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2021	Total Funds 2020
		£	£	£	£
Income and Endowment from:					
Donations and gifts		-	1,562,500	1,562,500	1,437,500
Investments	3	291,158	-	291,158	373,200
Interest and other income		14,546	-	14,546	55,729
Total Income		305,704	1,562,500	1,868,204	1,866,429
Expenditure on:					
<i>Raising funds:</i>					
Investment management fees		-	82,906	82,906	81,910
<i>Charitable activity:</i>					
<i>Grant-making:</i>					
Grant expenditure	4	2,035,114	-	2,035,114	3,877,752
Grant related support costs	5	195,533	-	195,533	151,550
Total Expenditure		2,230,647	82,906	2,313,553	4,111,212
Net operating (deficit)/surplus		(1,924,943)	1,479,594	(445,349)	(2,244,783)
Net gains/(losses) on investments	8	-	5,339,007	5,339,007	(2,736,822)
Transfers between funds	11	1,924,943	(1,924,943)	-	-
Net movement in funds		-	4,893,658	4,893,658	(4,981,605)
<i>Reconciliation of funds:</i>					
Total funds brought forward		-	21,548,440	21,548,440	26,530,045
Total funds carried forward		-	26,442,098	26,442,098	21,548,440

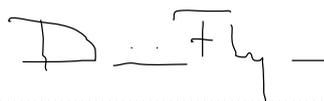
The notes on pages 16 to 23 form part of these accounts.

THE THREE GUINEAS TRUST

BALANCE SHEET AS AT 5 APRIL 2021

	<i>Notes</i>	2021	2020
		£	£
FIXED ASSETS			
Tangible fixed assets	7	14,047	2,720
Investments	8	<u>24,922,612</u>	<u>19,405,682</u>
		24,936,659	19,408,402
CURRENT ASSETS			
Debtors	9	86,459	6,477
Short-term deposits		-	2,580,552
Cash at bank and in hand		<u>2,911,548</u>	<u>3,160,894</u>
		2,998,007	5,747,923
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	10	<u>1,492,568</u>	<u>3,607,885</u>
		1,492,568	3,607,885
NET CURRENT ASSETS		1,505,439	2,140,038
NET ASSETS		<u>26,442,098</u>	<u>21,548,440</u>
CAPITAL FUNDS			
Expendable endowment	11	26,442,098	21,548,440
		<u>26,442,098</u>	<u>21,548,440</u>

The financial statements were approved and authorised for issue by the Trustees on 13 January 2022 and were signed on their behalf by



TRUSTEE

The notes on pages 16 to 23 form part of these accounts.

THE THREE GUINEAS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2021

RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net cash (used in) operating activities	(4,520,179)	(1,681,637)
Cash flows from investing activities:		
Interest and Dividends	305,704	429,691
Proceeds from sale of investments	5,108,238	2,237,467
Purchase of investments	(5,348,883)	(1,528,391)
Net cash provided by investing activities	65,059	1,138,767
Cash flows from financing activities:		
Receipt of expendable endowment	1,562,500	1,437,500
Net cash provided by financing activities	1,562,500	1,437,500
Change in cash and cash equivalents in the year	(2,892,620)	894,630
Cash and equivalents brought forward	7,344,210	6,449,580
	4,451,590	7,344,210
Net movement in funds as per statement of financial activities	4,893,658	(4,981,605)
Receipt of expendable endowment	(1,562,500)	(1,437,500)
Interest and Dividends	(305,704)	(429,691)
(Gains)/losses on investments	(5,339,007)	2,736,822
Depreciation charges	3,475	1,360
(Increase)/decrease in debtors	(79,982)	790
(Decrease)/Increase in creditors	(2,115,317)	2,428,187
Fixed asset additions	(14,802)	-
Net Cash used in operating activities	(4,520,179)	(1,681,637)

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

	2021	2020	Change in year
Cash at bank and in hand	2,911,548	3,160,894	(249,346)
Short-term deposits	-	2,580,552	(2,580,552)
Cash held by investment manager	1,540,042	1,602,764	(62,722)
	4,451,590	7,344,210	(2,892,620)

The notes on pages 16 to 23 form part of these accounts.

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS

1. CHARITABLE STATUS

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

2. ACCOUNTING POLICIES

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

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the ongoing concern basis. The investment portfolio has performed strongly during the year and has recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year. The Charity has adopted a total return basis to budget for its annual income. The endowment assets of the Trust remain significant, and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

a) Income Recognition

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

b) Expenditure on Charitable activities

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

c) Investments

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

d) Cost of administration

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

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

2. ACCOUNTING POLICIES (continued)

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.

f) Depreciation

Fixed assets are depreciated at rates which reflect their useful life to the Trust. Leasehold Improvements are depreciated over the life of the lease.

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 fair value of £23,382,570 (2020: £17,802,918).

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 2, 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.

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NOTES TO THE ACCOUNTS (continued)

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2021		2020	
	£	%	£	%
Fixed interest	53,260	18	58,966	20
UK equities	134,748	46	213,378	53
Overseas equities	43,001	15	55,869	19
Alternatives	60,149	21	44,987	8
	<u>291,158</u>	<u>100</u>	<u>373,200</u>	<u>100</u>

4. GRANTS PAYABLE

	2021		2020	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2020		3,567,302		1,104,117
Grants not accrued at 6 April 2020	973,934		233,783	
Grants approved in the year	1,463,012		4,617,903	
Grants not accrued at 5 April 2021	<u>(401,832)</u>		<u>(973,934)</u>	
Grants payable for the year		2,035,114		3,877,752
Grants paid during the year		<u>(4,242,419)</u>		<u>(1,414,567)</u>
Commitments at 5 April 2021		<u>1,359,997</u>		<u>3,567,302</u>
Commitments at 5 April 2021 are payable as follows:				
		£		£
Within one year (note 10)		<u>1,359,997</u>		<u>3,567,302</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 2021 was £401,832 (2020: £973,934).

Grants payable in the year were:

Autism

	£
Action-attainment CIC	60,000
Assert	37,632
Autism NI	75,000
Autistic Society of Trinidad and Tobago	20,000
Brentford FC Community Sports Trust	81,000
Project Art Works	214,950
Red2Green	50,000
Sunbeams Play	50,000
21 grants up to £20,000 were also payable totalling	216,444

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

4. GRANTS PAYABLE (continued)

Disability, Violence and Access to Justice

	£
Bristol Law Centre	37,703
British Institute of Human Rights	38,300
Disability Law Service	184,000
Harrow Law Centre	100,972
Inclusion London	131,000
Inquest	60,000
Islington Law Centre	58,000
L&Q Living	288,000
Law Centres Network	100,000
Respond	150,000
Stay Safe East	62,113

General

The Sainsbury Archive	10,000
West London Zone	10,000

2,035,114

5. ALLOCATION OF SUPPORT COSTS

	Grant- making	Governance	2021 Total Allocated	2020 Total Allocated
	£	£	£	£
Staff costs	105,056	2,063	107,119	77,006
Share of joint office costs	46,456	-	46,456	23,664
Direct costs including travel	3,152	-	3,152	3,171
Legal and professional fees	7,851	-	7,851	22,533
Advisors' honoraria	20,000	-	20,000	20,000
Depreciation	3,475	-	3,475	1,360
Auditors' remuneration	-	7,480	7,480	3,816
	<u>185,990</u>	<u>9,543</u>	<u>195,533</u>	<u>151,550</u>

During the year no Trustee received any remuneration or expenses for their services as Trustees (2019/20: none).

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

6. ANALYSIS OF STAFF COSTS

	2021	2020
	£	£
Salaries and wages	87,370	60,805
Social security costs	10,127	6,726
Other pension costs	9,622	9,475
	<u>107,119</u>	<u>77,006</u>

As mentioned in Note 2(d), the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 1.6% (2019/20: 1.1%) 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 2020/21.

The number of staff employed during the period was 9, all on a part-time basis (2019/20: 9). This was equivalent to one full time employees (2019/20: 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 £70,647 (2020: £49,925). No employee of the charity earned in excess of £60,000 (2019/20: none).

7. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2021	2020
	£	£
Cost		
At 6 April 2020	13,600	13,600
Additions	14,802	-
At 5 April 2021	<u>28,402</u>	<u>13,600</u>
Depreciation		
At 6 April 2020	10,880	9,520
Charge for the year	3,475	1,360
At 5 April 2021	<u>14,355</u>	<u>10,880</u>
Net Book Value		
At 5 April 2021	<u>14,047</u>	<u>2,720</u>
At 5 April 2020	<u>2,720</u>	<u>4,080</u>

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

8. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Market value 6 April 2020	17,802,918	21,248,816
Less: Disposals at proceeds	(5,108,238)	(2,237,467)
Add: Acquisitions at cost	5,348,883	1,528,391
Net gains/(losses) on investments	5,339,007	(2,736,822)
Market value 5 April 2021	23,382,570	17,802,918
Investment cash	1,540,042	1,602,764
Total investments	24,922,612	19,405,682

The investments held as at 5 April 2021 were as follows:

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
UK fixed interest	3,936,783	3,924,078	3,506,559	3,530,961
UK equities	4,090,085	6,916,520	5,256,915	7,109,182
Overseas equities	7,484,653	10,805,802	5,243,063	5,991,652
Alternatives	1,750,936	1,736,170	1,185,076	1,171,122
	17,262,457	23,382,570	15,191,613	17,802,918

9. DEBTORS

	2021	2020
	£	£
Income tax recoverable	62,500	-
Accrued Income	23,959	6,477
	86,459	6,477

10. CREDITORS - amounts falling due within one year

	2021	2020
	£	£
Grants payable within one year	1,359,997	3,567,302
Professional charges	10,691	7,141
Investment management fee	21,952	20,469
Other creditors	99,928	12,973
	1,492,568	3,607,885

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2021
	£	£	£
Fund balances at 5 April 2021 are represented by:			
Tangible fixed assets	-	14,047	14,047
Investments	-	24,922,612	24,922,612
Current assets	1,470,616	1,527,391	2,998,007
Current liabilities	(1,470,616)	(21,952)	(1,492,568)
Total net assets	-	26,442,098	26,442,098

Movement in the year

Opening balance as at 6 April 2020	-	21,548,440	21,548,440
Total income and endowments	305,704	1,562,500	1,868,204
Cost of raising funds	-	(82,906)	(82,906)
Cost of grant-making	(2,230,647)	-	(2,230,647)
Net gains on investments	-	5,339,007	5,339,007
Transfers between funds	1,924,943	(1,924,943)	-
Closing balance as at 5 April 2021	-	26,442,098	26,442,098

A transfer of £1,924,943 (2020: £3,600,373) was made from Expendable Endowment to Unrestricted Funds to cover the deficit during the year.

Comparative analysis of net assets between funds for year ending 5 April 2020

	Unrestricted Funds	Expendable Endowment	Totals 2020
	£	£	£
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	2,720	2,720
Investments	-	19,405,682	19,405,682
Current assets	3,587,416	2,160,507	5,747,923
Current liabilities	(3,587,416)	(20,469)	(3,607,885)
Total net assets	-	21,548,440	21,548,440

Movement in the year

Opening balance as at 6 April 2019	-	26,530,045	26,530,045
Total income and endowments	428,929	1,437,500	1,866,429
Cost of raising funds	-	(81,910)	(81,910)
Cost of grant-making	(4,029,302)	-	(4,029,302)
Net losses on investments	-	(2,736,822)	(2,736,822)
Transfers between funds	3,600,373	(3,600,373)	-
Closing balance as at 5 April 2020	-	21,548,440	21,548,440

THE THREE GUINEAS TRUST

NOTES TO THE ACCOUNTS (continued)

12. RELATED PARTY TRANSACTIONS

Included within grant-related support costs is a total of £7,851 (2020: £9,060) payable for legal services to Portrait Solicitors, a firm in which Mr D Flynn is a partner.

During the year to 5 April 2021 a donation of £1,562,500, including Gift Aid, (2020: £1,437,500) was received from the Settlor who is a Trustee of The Three Guineas Trust.

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

	Unrestricted Funds	Expendable Endowment	Total Funds 2020
	£	£	£
Income and Endowment from:			
Donations and gifts	-	1,437,500	1,437,500
Investments	373,200	-	373,200
Bank deposit interest and other income	55,729	-	55,729
Total Income	428,929	1,437,500	1,866,429
Expenditure on:			
<i>Cost of generating funds:</i>			
Investment management fees	-	81,910	81,910
<i>Charitable activity:</i>			
Grant-making:			
Grant expenditure	3,877,752	-	3,877,752
Grant related support costs	151,550	-	151,550
Total Expenditure	4,029,302	81,910	4,111,212
Net operating deficit	(3,600,373)	1,355,590	(2,244,783)
Net losses on investments		(2,736,822)	(2,736,822)
Transfers between funds	3,600,373	(3,600,373)	
Net movement in funds	-	(4,981,605)	(4,981,605)
<i>Reconciliation of funds:</i>			
Total funds brought forward	-	26,530,045	26,530,045
Total funds carried forward	-	21,548,440	21,548,440