

J T Blair's Charity
Registered Charity Number 221248
Annual Report and Accounts
for year ended 30 June 2018

Trustees' Report for the year ended 30 June 2018

Objectives and Activities

The Charity was constituted by the amended scheme brought into effect on 27 April 1921 pursuant to the will of J T Blair. The object of the Charity is as follows:

“For the benefit of poor persons (and particularly of the aged poor) in Manchester and Salford in such a way as the trustees consider most advantageous to the recipients.”

The main activities of the Charity are:

- to pay pensions, up to a maximum of £10 per week to eligible applicants
- to provide a befriending service to socially isolated older people living in Manchester and Salford.

Achievements and Performance

Payment of Pensions

There were 14 individuals in receipt of a pension at the beginning of July 2017, this was reduced to 12 by the end of June 2018 as one person went into permanent residential care and one went into a nursing home.

All beneficiaries in receipt of a pension were visited and their benefits checked to ensure that they were in receipt of their full entitlement.

Befriending Service

The befriending service has continued to be a much-needed service. During the 12 months, the befriending service received 100 referrals for individuals in Manchester and Salford. The flow of new volunteer befriender applications was steady but lagged a little behind the high number of referrals for the befriending service, so that the Befriending Co-ordinator had to stop taking new referrals.

Despite this, all of the matches that were made between befrienders and befriended were beneficial to both parties, with both expressing their enjoyment of the befriending visits. The individual befriended gained a greater enjoyment of life as their mood improved with the increased social activity, and the befriender enjoyed learning about the life experience of someone with whom their companionship was making such a positive difference.

Going forward the Trustees are looking into ways of expanding the befriending service recognising the value and impact that this has on its beneficiaries. Options for this include looking at giving grants to organisations who already run or wish to run such a service.

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and planning future activities.

Financial Review

During the year the Trust received dividend income of £17,698, a decrease of 2% on the prior year. In respect of charitable expenditure there was a small decrease in spending on pensions compared to the prior year of £406. This was due to the fact that in the financial year in question there were fewer pensions paid compared to the previous year.

Investments

The original Trust Deed, drawn up nearly 100 years ago, provides for the Trustees to make payments under various categories for the benefit of poor persons (and particularly aged poor) in Manchester and Salford in such a way as they consider most advantageous to the recipients. The Trustees believe this can be achieved better and more effectively if a total return approach to investment income and capital gain is adopted. Having regard for the history of the Charity and changes and improvements in social support for older people, the Trustees have taken the view that the limited income from the investments does not allow them to fully discharge the intentions of James Thomas Blair (the original settlor).

Accordingly, on 22 February 2017 the Trustees passed a resolution to adopt a total return approach to investments whilst preserving the Charity's permanent endowment. The relevant funds to be used as the endowment will be the historical cost of the investments as at 30 June 2016 (£416,345). This amount will be regarded as the permanently endowed portion of the fund and any capital growth after 30 June 2016 will be available to use as income and it will be increased each accounting year by a percentage equivalent to the Retail Prices Index in order to ensure the real value of the fund is maintained.

Reserves

The Trustees are committed to ensuring sufficient reserves are maintained to ensure the Charity can continue to meet the needs of pensioners in line with its charitable objectives and meet costs while at the same time protecting the Charity's investments.

Investment Policy and Objectives

The financial objective of the Charity is to at least maintain the real value of the assets whilst generating a sustainable return to fund the Charity's main activities. The inflation measure most relevant to the Charity's expenditure is the Retail Price Index (RPI). The Charity has approximately £550,000 of investments and these are the bulk of the Charity's assets to finance its activities.

The Charity adopts a total return approach to investment, generally the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the cost of the Charity's activities, in the long term that real value of the investments will be maintained. The Charity seeks to produce the best financial return within an acceptable level of risk.

Structure, Governance and Management

Register Charity Number: 221248

Trustees: There must not be fewer than three Trustees and a maximum of seven. The quorum consists of three members. The Trustees, who are appointed for a period of 5 years are as follows:

Mr M N G Evans (Chair)	November 2016
Mrs C Biggar	May 2017
Ms S M Adams	February 2016
Mrs S Birtles	February 2016
Ms M Walker	Appointed September 2017
Mr A Murray	Resigned April 2018

New Trustees meet with the Clerk and are provided with details of their roles and responsibilities and are given appropriate training, where necessary.

Clerk to the Trustees: The Chief Executive of the Gaddum Centre acts as Clerk to the Trustees

Trust Administrators and Principal Address: Gaddum Centre
Gaddum House
6 Great Jackson Street
Manchester
M15 4AX

Investment Advisors: WH Ireland
One New Bailey
4 Stanley Street
Salford
M3 5JL

Independent Examiner: Emma Willder, FCMA
Beyond Profit
39 Academy Way
Lostock
Bolton
BL6 4GH

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounts Statements (UK Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the application of Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for the keeping of proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 17 October 2018 and signed on their behalf by:

Michael N G Evans
Chairman

Independent examiner's report to the Trustees of J T Blair's Charity

I report to the Trustees on my examination of the accounts of J T Blair's Charity (the Charity) for the year ended 30 June 2018.

Responsibilities and basis of report

As the Charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the Trust as required by section 130 of the Act;
or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Emma Willder, FCMA

T/A Beyond Profit

39 Academy Way, Lostock, Bolton, BL6 4GH

Date:

Statement of Financial Activities for year ending 30 June 2018

	Notes	Unrestricted funds £	2018 Endowment funds £	Total funds £	Unrestricted funds £	2017 Endowment funds £	Total Funds £
Income and endowments from:							
Investments	2	4	17,698	17,702	3	18,136	18,139
Transfer to income	3	26,831	(26,831)	-	40,679	(40,679)	-
Total		26,835	(9,133)	17,702	40,682	(22,543)	18,139
Expenditure on:							
Charitable activities:							
Pensions and grants payable		5,204	-	5,204	5,610	-	5,610
Pensioner visiting and support costs		20,053	-	20,053	24,991	-	24,991
Administrative costs		1,578	-	1,578	728	-	728
Other	4	-	4,637	4,637	-	3,640	3,640
Total		26,835	4,637	31,472	31,329	3,640	34,969
Net income/(expenditure) before investment gains							
		-	(13,770)	(13,770)	9,353	(26,183)	(16,830)
Net gains on investments	3	-	18,073	18,073	-	72,773	72,773
Net income		-	4,303	4,303	9,353	46,590	55,943
Net movement in funds							
		-	4,303	4,303	9,353	46,590	55,943
Reconciliation of funds:							
Total funds brought forward		-	547,368	547,368	(9,353)	500,778	491,425
Total funds carried forward	3	-	551,671	551,671	-	547,368	547,368

Balance Sheet at 30 June 2018

	Notes	Unrestricted funds £	2018 Endowment funds £	Total £	Unrestricted funds £	2017 Endowment funds £	Total £
Fixed assets							
Investments	5	-	557,594	557,594	-	539,521	539,521
Total fixed assets		-	557,594	557,594	-	539,521	539,521
Current assets							
Cash at bank and in hand		13,870	(5,923)	7,947	11,575	7,847	19,422
Total current assets		13,870	(5,923)	7,947	11,575	7,847	19,422
Creditors: amounts falling due within one year	8	(13,870)	-	(13,870)	(11,575)		(11,575)
Net current (liabilities)/assets		-	(5,923)	(5,923)	0	7,847	7,847
Total assets less current liabilities		-	551,671	551,671	-	547,368	547,368
Total net assets		-	551,671	551,671	-	547,368	547,368
Funds of the Charity							
Permanent Endowment funds		-	445,999	445,999	-	430,917	547,368
Expendable Endowment funds		-	105,672	105,672	-	116,451	-
Unrestricted funds		-	-	-	-	-	-
Total funds	6	-	551,671	551,671	-	547,368	547,368

Signed on behalf of the Trustees of J T Blair's Charity on 17 October 2018

Michael N G Evans
Chairman

Notes to the Accounts

1) Accounting Policies

a) Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 and the Financial Reporting Standards applicable in the Ireland Kingdom and Republic of Ireland (FRS1 102) and the Charities Act 2011.

J T Blair's Charity constitutes a public benefit entity as defined by FRS 102.

Having considered projections for income and expenditure in the next 12 months the Trustees consider that there are no material uncertainties to allow the Charity to continue as a going concern.

b) Fund accounting

The Charity maintains various types of funds as follows:

Unrestricted Funds: The general funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objectives of the Charity.

Endowment Funds: The endowment fund represent donations and legacies received where the donor has stipulated that the income may be used for general purposes, but the capital must be retained. The Trustees passed a resolution adopting a total return approach to the trusts investments.

c) Incoming Resources

All income is recognised in the Statement of Financial Activities once the Charity has entitlements to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

d) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal and constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure directly relates to the object of the Charity.

e) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of the volatility in equity and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in the sentiment concerning equities. In order to mitigate this risk, the Charity engages professional investment advisors.

f) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2) Investment Income

	2018	2017
	£	£
Dividends - equities	17,698	18,136
Interest on cash deposits	4	3
	<u>17,702</u>	<u>18,139</u>

3) Total return investment

On 22 February 2017 the Trustees excised the power granted under section 104A(2) of the Charities Act 2001. At this time the Trustees identified the value of the gifts of permanent endowment received since inception up until 30 June 2016. This set the baseline value of the gift component of the endowment to which any subsequent gifts of endowment are added. The difference between the total of endowment funds as at 30 June 2016 and the value of the gift component represented the opening balance of unapplied total return.

Having considered their obligations under the duty of even-handedness, the Trustees made a transfer of £26,831 unapplied total return to unrestricted income funds.

The investment fund and application of total return to permanent endowment funds:

	Endowment	Unapplied Total Return	Total
	£	£	£
Opening value of endowment at 1 July 2017			
Gift component of permanent endowment	430,917		430,917
Unapplied total return		116,451	116,451
Total:	430,917	116,451	547,368
Movement in unapplied total return and endowment in the year:			
Recoupment of trust for investment*	15,082	(15,082)	-
Investment return: dividends		17,698	17,698
Investment returns: realised and unrealised gains*		18,073	18,073
Less: Investment management costs (note 4)		(4,637)	(4,637)
Total:	15,082	16,052	31,134
Unapplied total return allocated to income	-	(26,831)	(26,831)
Net movement in the reporting period	15,082	(10,779)	4,303
Closing value of endowment at 30 June 2018			
Gift component of permanent endowment	445,999	-	445,999
Unapplied total return	-	105,672	105,672
Total:	445,999	105,672	551,671

* The Trustees agreed to increase the permanent endowment fund each accounting year by a percentage equivalent to the Retail Prices Index (RPI) in order to ensure the real value of the funds are maintained. This amounted to £15,082 (3.5%) in respect of the year ended 30 June 2018 (2017 - £14,572 (3.5%)).

Realised and unrealised gains on investments during the year were

	2018	2017
	£	£
Realised	-	15,428
Unrealised	18,073	57,345
	<u>18,073</u>	<u>72,773</u>

4) Investment management costs

	2018	2017
	£	£
Brokers Fees	4,637	3,640
	<u>4,637</u>	<u>3,640</u>

All investment management costs were attributable to endowment funds

5) Fixed Asset Investments

	2018	2017
	£	£
Quoted Investments		
Market value at 1 July	539,521	484,207
Additions at cost	-	94,508
Disposals at market values	-	(96,539)
Net gains on revaluation at 30 June	18,073	57,345
Market value at 30 June	<u>557,594</u>	<u>539,521</u>
Historical costs as at 30 June	<u>445,021</u>	<u>445,021</u>

All listed investments are listed on the London Stock Exchange. Investments are valued at the middle market value at the year-end as determined by the Charity's investment advisors, WH Ireland.

Holding	Description	Market Value £
18,119	Invesco Perpetual Corporate	36,182
52,639	Henderson Global Preference	29,630
19,961	Artimis Fund Institutional	51,113
29,700	J O Hambro UK equity	43,095
28,000	Threadneedle UK Equity	42,017
17,519	Schroder US	22,336
13,700	Jupiter Japan	13,667
16,000	Blackrock Continental Europe	24,176
14,000	Aviva US Equity	22,268
8,000	JP Morgan US Equity	24,248
5,700	JP Morgan American ORD	24,083
15,500	Standard Life European	14,576
12,500	Mellon Newton Global	20,284
1,270	Pimco Select UK	13,272
13,000	Neptune Mid Cap	14,573
26,000	Majedie UK Income	44,741
4,000	LF Milton UK Smaller Companies	10,195
20,000	Artemis Global	20,662
20,000	F&C Commercial Property Trust	30,120
1,000	iShares Physical Metals PLC	18,621
20,000	BNY Mellon Newton Real	20,152
9,000	Franklin Templeton UK Mid Cap	17,583
		557,594

6) Assets represented by each fund

	Unrestricted Funds	Endowment Funds	Total Funds	Total Funds
	2018	2018	2018	2017
	£	£	£	£
Investments	-	557,594	557,594	539,521
Net current (liabilities)/assets	-	(5,923)	(5,923)	7,847
Total	-	551,671	551,671	547,368

7) Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2017: £nil). No Trustee, or person related or connected by business to them has received any payments or other benefits from the Trust during the year. The Trust does not have any employees.

8) Analysis of current liabilities

Creditors under 1 year

	2018	2017
	£	£
Accruals	<u>13,870</u>	<u>11,575</u>
Total	<u><u>13,870</u></u>	<u><u>11,575</u></u>