

THE STAPLES TRUST

ANNUAL REPORT

5 APRIL 2020

THE PEAK
5 Wilton Road
London SW1V 1AP

THE STAPLES TRUST
5 April 2020

CONTENTS		PAGE
1	Report of the Trustees	2-7
2	Statement of Trustees' Responsibilities	8
3	Independent Auditor's Report	9-11
4	Statement of Financial Activities	12
5	Balance Sheet	13
6	Cash Flow Statement	14
7	Notes to the Accounts	15-23

THE STAPLES TRUST

5 April 2020

REPORT OF THE TRUSTEES

Legal and Administrative

The Staples Trust (No. 1010656) was established under a Trust Deed dated 31 March 1992.

Trustees	Jessica Sainsbury Professor Peter Frankopan James Sainsbury OBE Judith Portrait OBE
Registered Office	The Peak, 5 Wilton Road London SW1V 1AP
Principal Officers	Robert Bell Director (to 11 November 2019) Karen Everett Finance Director (to 11 November 2019) Karen Everett Chief Operating Officer (from 11 November 2019) Hester Marriott Executive (to 5 April 2020) Elaine Ponte Executive
	All the Principal Officers are employed on a part-time basis.
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 Advisers	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 current areas of interest are reflected in the grant-making activities, as detailed on page 5 of the Report of the Trustees.

REPORT OF THE TRUSTEES (continued)**Organisation**

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

Trustees are appointed by existing Trustees and are provided with relevant information relating to their responsibilities as Trustees. The day-to-day running of the Trust and grant administration is delegated to trust executives, with strategic decisions undertaken by the Trustees.

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 Trust has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

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 comparable positions in similar organisations.

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

Policies

Proposals are generally invited by the Trustees or initiated at their request. Unsolicited applications are discouraged and are unlikely to be successful, even if they fall within an area in which the Trustees are interested. The Trustees prefer to support innovative schemes that can be successfully replicated or become self-sustaining. Apart from the awards made under the Frankopan Fund, grants are not normally made to individuals. The Trustees' priorities are set out under each category heading in the report on grants approved below.

In future the Trust will continue to support the activities set out on page 5 by the award of grants.

Reserves Policy

It has been the policy of the Trustees to approve grants for payment over a period of years, subject to certain conditions over the life of the grant. Those expected to be paid within twelve months of the year end are accrued in the accounts, whilst those due to be paid later than this are not accrued. These are referred to in note 5 to the accounts and amount to £1,040,000. They represent funds earmarked for continued support to certain existing beneficiaries, although formal commitments have not yet been made. Cash flow projections for income and expenditure are regularly reviewed to ensure that the level of available reserves is adequate and that the Trust is in a position to meet all its commitments.

As at 5 April 2020, the Trust held total funds of £12,476,755 (2019: £14,873,226), comprising an expendable endowment fund of £12,476,277 (2019: £14,744,969) and unrestricted funds of £478 (2019: £128,257).

REPORT OF THE TRUSTEES (continued)

Reserves Policy (continued)

In the unlikely event that the Trustees find themselves unable to meet current commitments from unrestricted reserves, they would be willing to draw on expendable endowment in order to meet those commitments, as they see fit.

Investment Policy

Trustees meet with their investment managers regularly to discuss investment strategy and also to seek to ensure that the Trust's income requirements are met, and that long-term capital growth is in line with relevant indices. The Trustees normally hold investments for the long-term.

During the period, the portfolio returned -12.1%, which compares to the -7.7% return on the ARC Steady Growth Index.

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 going concern basis. The Covid-19 pandemic has not had a significant impact on the Charity's finances. The impact of the market turmoil in the period to 5th April 2020 contributed to a reduction of 16% in the value of the investment portfolio for the year. Valuations have improved since 5th April 2020 but uncertainty remains.

The Trust's principal source of income is investment income and it is likely to be lower going forward. Nevertheless, the endowment assets of the Trust remain significant, and these will continue to return income which the Trust will continue to pay out to its beneficiaries in accordance with the Trust's object.

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 meet such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

The Trustees 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 their investments' strategy and monitor financial performance. They also operate a grant distribution formula which helps to ensure the stability of resources available for grant awards in any given year.

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.

REPORT OF THE TRUSTEES (continued)

Environmental Policy

The Trustees are committed to using some of the Trust’s expendable endowment for impact investing that will not only result in a financial return, but also produce social and environmental benefits that accord with the Trust’s objectives. In the coming years impact investing is expected to commence and increase as a percentage of the total expendable endowment.

Review of the Past Year

During the year the asset value of the Trust decreased by 19.2% from £14,873,226 at 5 April 2019 to £12,476,755 at 5 April 2020, whilst the net unrestricted income of the Trust for the year after charging support costs decreased to £358,317 compared to £403,608 for the year to 5 April 2019.

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

During the year the Trustees approved 39 grants totalling £1,623,596.

Grants approved and payments made during the year may be analysed by number and by value in the categories set out below:

	Number of grants approved	Value of grants approved £	Payments made £
Environment	3	22,500	17,500
Gender	2	17,796	58,796
General	4	41,500	128,500
Indigenous Peoples	4	1,513,800	348,800
Local	1	3,000	3,000
Frankopan Fund	25	25,000	25,750
	39	1,623,596	582,346

The full list of grants approved in the financial year can be found on pages 5-7.

GRANTS APPROVED

ENVIRONMENT - £22,500

Three grants approved in this category were to:

Ashden Sustainable solutions, better lives - £5,000

Towards its core costs, which supports leaders in sustainable energy to accelerate the transition to a low-carbon world.

Rainforest Concern - £10,000

Towards an impact study examining the environmental, social and cultural effects of illegal gold mining in the Yurupari territory in the Columbian Amazon.

Resurgence Trust - £7,500

Towards its operating costs

REPORT OF THE TRUSTEES (continued)

GENDER - £17,796

Trustees are interested in a range of issues about gender and society, including supporting academic research and practical interventions. Unsolicited applications are rarely considered in this category.

Two grants approved in this category were to:

Trojan Women Scotland CIC - £5,000

Towards the cost of a production of the Trojans at the Edinburgh Festival Fringe.

University of Cambridge – Development and Alumni Relations - £12,796

Towards costs associated with the Cambridge London Engagement Series committee dinners.

GENERAL - £41,500

Grants approved at the discretion of the Trustees were as follows:

Child Bereavement UK - £10,000

Towards its core work supporting children and young people who are bereaved.

The Felix Trust - £5,000

Towards its core costs.

The Sainsbury Archive - £25,000

Towards its core costs.

University of Cambridge, Jesus College - £1,500

Towards the Duncan Martin and Virginia Henley Bursary for the alleviation of financial hardship to undergraduate members of Jesus College, Cambridge University.

INDIGENOUS PEOPLES - £1,513,800

Trustees' priorities in this category are projects which contribute to the rights of indigenous peoples, income-generation in disadvantaged communities and sustainable agriculture and forestry. They will also respond to emergency appeals.

Four grants approved in this category were to:

Asociación ANDES - £5,000

To support local communities to access legal expertise to use the law of consultation to protect their land rights due to mining.

Catholic Agency for Overseas Development - £5,000

Towards its work in Peru to help address environmental concerns relating to mining, and to support education and job creation in the southern Andes.

THE STAPLES TRUST

5 April 2020

REPORT OF THE TRUSTEES (continued)

Museum of Anthropology and Archaeology, University of Cambridge - £3,800

Towards photographing, documenting, and reconciling the archives within its Maasai Collection.

School of the Humanities and Social Sciences, University of Cambridge - £1,500,000

Towards the post for a Lectureship in the Anthropology of the Amazonia.

LOCAL - £3,000

Oxford Food Bank - £3,000

Towards the replacement costs of one of its vehicles.

FRANKOPAN FUND - £25,000

Trustees have established a fund to assist exceptionally talented postgraduate students from Croatia to further or complete their studies. Twenty-five grants from the Fund were awarded as follows:

Scholarships

	£
King's College London	£3,000
Liverpool John Moores University	£1,000
Newcastle University	£2,000
Royal College of Art	£2,000
Technical University of Munich	£2,000
University of Ljubljana	£1,000
University of Oxford - Department of Experimental Psychology	£2,000
University of Oxford – Department of Materials	£2,000
University of Oxford – Medical Sciences office	£2,000
University of Toronto	£2,000
University of Warwick	£2,000

Awards

	£
Alice Salomon Hochschule Berlin	£500
Central European University	£500
Humboldt University	£500
Jönköping University	£500
New York Academy of Art	£500
University of Graz - Centre for Southeast European Studies	£500
University of Oxford	£500
University of Utrecht	£500

Approved by the Trustees on 30 November 2020 and signed on their behalf by:



..... TRUSTEE

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. 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.

Independent Auditor's Report to the Trustees of the Staples Trust

Opinion

We have audited the financial statements of the Staples Trust for the year ended 5 April 2020 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 2020 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 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 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.

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 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 STAPLES TRUST

5 April 2020

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

20 January 2021

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 STAPLES TRUST
5 April 2020

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2020

	Notes	Unrestricted Funds	Expendable Endowment	Total Funds 2020	2019
		£	£	£	£
Income					
Investment income	3	417,780	-	417,780	479,389
Bank deposit interest and other income		5,946	-	5,946	3,610
Total income and endowments		423,726	-	423,726	482,999
Expenditure					
Cost of raising funds:					
Investment management costs	4	-	43,389	43,389	73,942
Charitable activities					
Grant-making:					
Grant expenditure	5	693,596	-	693,596	344,021
Grant related support costs	6	65,409	-	65,409	79,391
Cost of grant-making		759,005	-	759,005	423,412
Total Expenditure		759,005	43,389	802,394	497,354
Net operating deficit		(335,279)	(43,389)	(378,668)	(14,355)
Net (losses)/gains on investment assets	9	-	(2,346,708)	(2,346,708)	847,068
Gains on foreign exchange		-	328,905	328,905	10,585
Transfers between funds		207,500	(207,500)	-	-
Net movement in funds		(127,779)	(2,268,692)	(2,396,471)	843,298
Reconciliation of funds					
Total funds brought forward	12	131,257	14,741,969	14,873,226	14,029,928
Total funds carried forward		3,478	12,473,277	12,476,755	14,873,226

The notes on pages 15 to 23 form part of these accounts.

THE STAPLES TRUST
5 April 2020

BALANCE SHEET
AS AT 5 APRIL 2020

	<i>Notes</i>	2020	2019
		£	£
FIXED ASSETS			
Tangible fixed assets	8	1,940	2,910
Investments	9	12,478,087	14,550,003
		<u>12,480,027</u>	<u>14,552,913</u>
CURRENT ASSETS			
Debtors	10	29,491	35,041
Cash at bank and in hand		335,607	585,368
		<u>365,098</u>	<u>620,409</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	11	<u>(368,370)</u>	<u>(300,096)</u>
NET CURRENT (LIABILITIES)/ASSETS		(3,272)	320,313
NET ASSETS		<u><u>12,476,755</u></u>	<u><u>14,873,226</u></u>
CAPITAL FUNDS			
Expendable endowment	12	12,473,277	14,741,969
INCOME FUNDS			
Unrestricted funds	12	3,478	131,257
		<u>12,476,755</u>	<u>14,873,226</u>

The financial statements were approved and authorised for issue by the Trustees on 30 November 2020 and were signed on their behalf by :



.....

TRUSTEE

The notes on pages 15 to 23 form part of these accounts.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2020**

RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2020</u>	<u>2019</u>
	£	£
Cash flows from operating activities		
Net cash provided by operating activities	(399,418)	128,756
Cash flows from investing activities:		
Dividends and income	424,448	
Purchase of investments	(3,464,636)	(1,490,381)
Sale of investment	3,105,312	1,723,753
Net cash provided by investing activities	<u>65,124</u>	<u>233,372</u>
Change in cash and cash equivalents in the year	(334,293)	362,128
Cash and cash equivalents at the beginning of the year	1,356,341	994,213
Cash and cash equivalents at the end of the year	<u>1,022,048</u>	<u>1,356,341</u>

Reconciliation of net cash provided by operating activities

	<u>2020</u>	<u>2019</u>
	£	£
Net movement in funds as per statement of financial activities	(2,396,471)	843,298
Losses/(gains) on investments	2,017,803	(857,653)
Dividends and income	(424,448)	
Effect of foreign exchange rate changes	328,905	10,585
Depreciation charges	970	970
Decrease in debtors	5,550	24,274
Increase in creditors	68,274	107,282
Net cash (used in)/generated by operating activities	<u>(399,418)</u>	<u>128,756</u>

Analysis of increase in cash during the year

	<u>2020</u>	<u>2019</u>	<u>Change in</u>
	£	£	£
Cash at bank and in hand	335,607	585,368	(249,761)
Cash balances held by investment manager for investment	686,441	770,973	(84,532)
	<u>1,022,048</u>	<u>1,356,341</u>	<u>(334,293)</u>

The notes on pages 15 to 23 form part of these accounts.

NOTES TO THE ACCOUNTS**1. CHARITABLE STATUS**

The Staples Trust is an unincorporated charity (Charity registration number 1010656), registered in England and Wales. The address of the registered office is The Peak, 5 Wilton Road, London, SW1V 1AP.

2. PRINCIPAL ACCOUNTING POLICIES**a) Basis of preparation**

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 going concern basis.

The Covid-19 pandemic has not had a significant impact on the Charity's finances. The impact of the market turmoil in the period to 5th April 2020 contributed to a reduction of 16% in the value of the investment portfolio for the year. Valuations have improved since 5th April 2020 but uncertainty remains.

The Trust's principal source of income is investment income and it is likely to be lower going forward. Nevertheless the endowment assets of the Trust remain significant, and these will continue to return income, which the Trust will continue to pay out to its beneficiaries in accordance with the Trusts objects.

b) 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 included when receivable.

c) Expenditure

Costs of generating funds represent amounts paid to the Trust's external investment advisors.

Charitable activities expenditure comprises grants and donations awarded by the Trustees in accordance with the criteria set out in the Trust Deed, together with grant related support costs.

Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities. Payments that are due within one year of the period-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

Grants approved subject to conditions that have not been met at the period-end are noted as a commitment but not accrued as expenditure (see note 4).

Grant related support costs represent staff, office and governance costs incurred in managing the grant award programme.

NOTES TO THE ACCOUNTS**2 ACCOUNTING POLICIES (cont ...)****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 fees for statutory audit and legal fees where relevant.

f) Investments

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

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 £11,792k (2019: £13,779k *restated*).

h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits.

i) Fixed assets

Fixed assets are depreciated at rates which reflect their useful life to the Trust. The following rate has been used:

Leasehold improvements - 10% per annum

j) 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.

THE STAPLES TRUST
5 April 2020

NOTES TO THE ACCOUNTS

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2020		2019	
	£	%	£	%
Fixed interest	64,242	15	46,846	10
UK equities	124,405	30	160,783	34
Overseas equities	150,568	36	117,521	25
Property	19,653	5	9,403	2
Alternatives	58,912	14	144,836	30
	<u>417,780</u>	<u>100</u>	<u>479,389</u>	<u>100</u>

4. COST OF GENERATING FUNDS

These costs relate to the investment manager's fees. The Trustees are of the opinion that these relate to the generation of a total return on the investment portfolio and, as such, have charged the Expendable Endowment with these fees.

5. GRANTS PAYABLE

	2020		2019	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2019		239,750		169,500
Grants not accrued at 6 April 2019	110,000		1,500	
Grants approved in the period	1,623,596		452,521	
Grants cancelled	-		-	
Grants not accrued at 5 April 2020	<u>(1,040,000)</u>		<u>(110,000)</u>	
Grants payable for the period		693,596		344,021
Grants paid/refunded during the period		(582,346)		(273,771)
Commitments at 5 April 2020		<u>351,000</u>		<u>239,750</u>
Commitments at 5 April 2020 are payable as follows:				
		2020		2019
		£		£
Within one year (note 11)		<u>351,000</u>		<u>239,750</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 2020 £1,040,000 (2019: £110,000).

NOTES TO THE ACCOUNTS

5. GRANTS PAYABLE (continued)

The amount payable in the period consisted of the following:

<u>Environment</u>	£
Ashden Sustainable solutions, better lives	5,000
Rainforest Concern	10,000
Resurgence Trust	7,500
<u>Gender</u>	
Prince's Trust-London	25,000
Trojan Women Scotland CIC	5,000
University of Cambridge - Development and Alumni Relations	12,796
<u>General</u>	
Child Bereavement UK	10,000
The Felix Trust	5,000
The Sainsbury's Archive	5,000
University of Cambridge, Jesus College	1,500
<u>Indigenous Peoples</u>	
Asociación ANDES	5,000
Catholic Agency for Overseas Development (CAFOD)	5,000
InsightShare-Small World Action Projects (SWAP)	20,000
Museum of Anthropology and Archaeology	3,800
Pitt Rivers Museum	20,000
University of Cambridge, School of Humanities and Social Sciences	525,000
<u>Local</u>	£
Oxford Food Bank	3,000

NOTES TO THE ACCOUNTS

5. GRANTS PAYABLE (continued)

Frankopan Fund

	£
Alice Salomon Hochschule Berlin	500
Central European University	500
Centre for Southeast European Studies - University of Graz	500
Humboldt University	500
Jönköping University	500
King's College London	3,000
Liverpool John Moores University	1,000
Newcastle University	2,000
New York Academy of Art	500
Royal College of Art	2,000
Technical University of Munich	2,000
University of Ljubljana	1,000
University of Toronto	2,000
University of Oxford	500
University of Oxford - Department of Materials	2,000
University of Oxford - Department of Experimental Psychology	2,000
University of Oxford - Medical Sciences Office	2,000
University of Utrecht	500
University of Warwick	2,000

Total grants payable per Statement of Financial Activities	<u><u>693,596</u></u>
--	-----------------------

6. GRANT RELATED SUPPORT COSTS

	Grant- Making	Governance	2020 Total	2019 Total
	£	£	£	£
Staff costs	31,805	2,056	33,861	46,157
Share of joint office costs	10,239	-	10,239	12,307
Direct costs including travel	5,700	-	5,700	3,412
Legal and professional fees	11,364	-	11,364	12,729
Depreciation	970	-	970	970
Auditors' remuneration	-	3,275	3,275	3,816
	<u>60,078</u>	<u>5,331</u>	<u>65,409</u>	<u>79,391</u>

No Trustee received remuneration or was reimbursed expenses during the period.

Included in legal and professional fees is £8,412 (2019: £9,897) incurred for the Novarca review of investment management charges.

THE STAPLES TRUST
5 April 2020

NOTES TO THE ACCOUNTS

7. ANALYSIS OF STAFF COSTS

	2020	2019
	£	£
Salaries and wages	27,428	37,535
Social security costs	3,115	4,233
Other pension costs	3,318	4,389
	<u>33,861</u>	<u>46,157</u>

The Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 0.5% (2019:0.6%) of the total support and administration costs of these trusts have been allocated to the Staples Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2019/20. The actual number of staff employed during the year was 10, all on a part-time basis (2018/19: 10). This equates to 0.5 full time employees (2018/19: 0.7) The Trust considers its key management personnel to comprise the Principal Officers. The total employment benefits, including employer contributions to group personal pensions, of these key management personnel, were £17,810 (2018/19: £20,060).

No Trustee received any remuneration for their services as Trustees in the year.

8. TANGIBLE FIXED ASSETS

Leasehold

	2020	2019
	£	£
Cost		
At 5 April 2019	9,700	9,700
At 5 April 2020	<u>9,700</u>	<u>9,700</u>
Depreciation		
At 5 April 2019	6,790	5,820
Charge for the period	970	970
At 5 April 2020	<u>7,760</u>	<u>6,790</u>
NET BOOK VALUE		
At 5 April 2020	<u>1,940</u>	<u>2,910</u>
NET BOOK VALUE		
At 5 April 2019	<u>2,910</u>	<u>3,880</u>

THE STAPLES TRUST
5 April 2020

NOTES TO THE ACCOUNTS

9. FIXED ASSET INVESTMENTS

	2020	2019
	£	£
Market value 6 April 2019	13,779,030	13,165,334
Add: Acquisitions at cost	3,464,636	1,490,381
Less: Disposals at proceeds	(3,105,312)	(1,723,753)
Gains/(losses) on revaluation	(2,346,708)	847,068
Market value 5 April 2020	11,791,646	13,779,030
Cash	686,441	770,973
Total investments	12,478,087	14,550,003
Historical cost 5 April 2020	12,264,392	11,896,283

The investments held as at 5 April 2020 were as follows:

	2020		2019	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Fixed Interest	1,686,233	1,657,295	1,700,696	1,773,364
UK Equities	3,465,877	2,323,957	3,808,529	3,759,259
Overseas Equities	5,699,552	6,542,489	5,005,817	6,659,885
Property	363,734	400,971	463,843	539,465
Alternatives	1,048,996	866,934	917,398	1,047,057
	12,264,392	11,791,646	11,896,283	13,779,030

10. DEBTORS

	2020	2019
	£	£
Income tax recoverable	1,176	909
Accrued income	28,315	34,132
Other debtors	-	-
	29,491	35,041

11. CREDITORS - amounts falling due within one year

	2020	2019
	£	£
Grants payable within one year	351,000	239,750
Professional charges	5,009	3,816
Investment management fee	11,985	18,038
Other creditors	376	38,492
	368,370	300,096

THE STAPLES TRUST
5 April 2020

NOTES TO THE ACCOUNTS

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2020
	£	£	£
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	1,940	1,940
Investments	-	12,478,087	12,478,087
Current assets	359,863	5,235	365,098
Current liabilities	(356,385)	(11,985)	(368,370)
Total net assets	3,478	12,473,277	12,476,755
Movement in the year			
Opening balance as at 5 April 2019	131,257	14,741,969	14,873,226
Total income and endowments	423,726	-	423,726
Cost of raising funds	-	(43,389)	(43,389)
Cost of grant-making	(759,005)	-	(759,005)
Net gains on investments	-	(2,346,708)	(2,346,708)
Net gains on foreign exchange	-	328,905	328,905
Transfer between funds	207,500	(207,500)	-
Closing balance as at 5 April 2020	3,478	12,473,277	12,476,755

A transfer of £207,500 (2019: £nil) was made from Expendable Endowments to Unrestricted Funds to cover the deficit for the year.

	Unrestricted Funds	Expendable Endowment	Totals 2019
	£	£	£
Fund balances at 5 April 2019 are represented by:			
Tangible fixed assets	-	2,910	2,910
Investments	-	14,550,003	14,550,003
Current assets	413,315	207,094	620,409
Current liabilities	(282,058)	(18,038)	(300,096)
Total net assets	131,257	14,741,969	14,873,226
Movement in the year			
Opening balance as at 5 April 2018	68,670	13,961,258	14,029,928
Total income and endowments	485,999	-	482,999
Cost of raising funds	-	(73,942)	(73,942)
Cost of grant-making	(423,412)	-	(423,412)
Net gains on investments	-	847,068	847,068
Net gains on foreign exchange	-	7,585	10,585
Closing balance as at 5 April 2019	131,257	14,741,969	14,873,226

THE STAPLES TRUST
5 April 2020

NOTES TO THE ACCOUNTS

13. RELATED PARTY TRANSACTIONS

Included within grant-related support costs is a total of £2,952 (2019: £2,256) payable for legal services to Portrait Solicitors, a firm in which Miss J S Portrait is a partner.

**14. STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2019**

	Unrestricted	Expendable	Total Funds
<i>Notes</i>	Funds	Endowment	2019
	£	£	£
Income			
Investment income	3 479,389	-	479,389
Bank deposit interest and other income	3,610	-	3,610
Total income and endowments	482,999	-	482,999
Expenditure			
Cost of raising funds:			
Investment management costs	4 -	73,942	73,942
Charitable activities			
Grant-making:			
Grant expenditure	5 344,021	-	344,021
Grant related support costs	6 79,391	-	79,391
Cost of grant-making	423,412	-	423,412
Total Expenditure	423,412	73,942	497,354
Net operating deficit	59,587	(73,942)	(14,355)
Net gains on investment assets	9 -	847,068	847,068
Gains on foreign exchange	-	10,585	10,585
Net income	59,587	783,711	843,298
Reconciliation of funds			
Total funds brought forward	12 68,670	13,961,258	14,029,928
Total funds carried forward	128,257	14,744,969	14,873,226