

Company Registration No: 7866189  
Charity No: 1144990

# **THE GLASS-HOUSE TRUST**

ANNUAL REPORT

5 APRIL 2013

The Peak  
5 Wilton Road  
London SW1V 1AP

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

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**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**REPORT OF THE TRUSTEES**

**Legal and Administrative**

The Glass-House Trust was formed as a company limited by guarantee on 30 November 2011. The company registration number is 7866189.

The company was registered with the Charity Commission on 9 December 2011. The charity registration number is 1144990.

<b>Trustees/ Directors</b>	Alex Sainsbury (appointed 30 November 2011) Elinor Sainsbury (appointed 30 November 2011) Judith Portrait (appointed 30 November 2011)
<b>Registered Office</b>	The Peak 5 Wilton Road London SW1V 1AP
<b>Principal Officers</b>	Mr A Bookbinder Mr P Spokes (Company Secretary) Mr Matthew Williams
<b>Bankers</b>	Child & Co 1 Fleet Street, London EC4Y 1BD
<b>Solicitors</b>	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ
<b>Auditors</b>	Crowe Clark Whitehill LLP St Bride's House, 10 Salisbury Square London EC4Y 8EH
<b>Investment Advisers</b>	Berry Asset Management Plc 79 Pall Mall London SW1Y 5ES

**Investment Powers**

The memorandum and articles of the Company empower 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 Company as given in the memorandum and articles are for general charitable purposes.

# THE GLASS-HOUSE TRUST

## 5 April 2013

### REPORT OF THE TRUSTEES (continued)

#### Organisation

This is the first annual report of the Charitable Company and it includes its activities from the date of incorporation, on 30 November 2011, to 5 April 2013.

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

#### Charity and Public Benefit

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

#### Reserves Policy

It is 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 and amount to £15,000. 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.

The Trustees consider that when possible it is appropriate to hold free funds, both to meet the short-term working capital needs of the Trust and in anticipation of the potential payment of subsequent grant instalments. In the 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. In the period to 5 April 2013, an amount of £23,121 was transferred from the expendable endowment to unrestricted reserves in order to meet the commitments of the Charity.

#### 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, systems are in place adequate to meet such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

These included financial risks relating to income generation and the investment portfolio, along with other risks concerning the integrity of computer systems and software.

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**REPORT OF THE TRUSTEES (continued)**

**Investment Policy and Performance**

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.

**Review of the Past Period**

On 5 April 2013, the Company received various assets and liabilities, to the net value of £11,991,768, from a separate charity, The Glass-House Trust. These were transferred into the Company by form of Expendable Endowment.

The Company did not make any grants during the period, while it was being established, but has grant commitments of £99,050 which were transferred in as a part of the above transaction.

During the period, the Company purchased a property in central London, which it is intending to let to other charities.

**Provision of information to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. The Trustees have each taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Approved by the Board on August 2013 and signed on their behalf by:

.....  
Judith Portrait  
Trustee

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE PERIOD 30 NOVEMBER 2011 TO 5 APRIL 2013**

	<i>Notes</i>	<b>Unrestricted Funds</b>	<b>Expendable Endowment</b>	<b>Total Funds 2013</b>
<b>Income and expenditure</b>		<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>				
Transfer of assets and liabilities from Charitable Trust	<i>3</i>	-	11,991,768	11,991,768
Total incoming resources		<u>-</u>	<u>11,991,768</u>	<u>11,991,768</u>
<b>Resources expended</b>				
Support costs	<i>4</i>	19,869	-	19,869
Governance costs	<i>4</i>	3,252	-	3,252
Total resources expended		<u>23,121</u>	<u>-</u>	<u>23,121</u>
<b>Net (outgoing)/incoming resources before transfers</b>		(23,121)	11,991,768	11,968,647
Transfer between funds		23,121	(23,121)	-
<b>Net movement in funds</b>		<u>-</u>	<u>11,968,647</u>	<u>11,968,647</u>
Balances brought forward		-	-	-
<b>Balances carried forward at 5 April 2013</b>		<u>-</u>	<u>11,968,647</u>	<u>11,968,647</u>

The notes on pages 7 to 10 form part of these accounts

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**BALANCE SHEET****AS AT 5 APRIL 2013**

	<i>Notes</i>	<u>2013</u>
		£
<b>FIXED ASSETS</b>		
Tangible Fixed Assets	5	1,389,339
Investments	6	<u>9,818,426</u>
		11,207,765
<b>CURRENT ASSETS</b>		
Debtors	7	137,407
Cash at bank and in hand		<u>757,367</u>
		894,774
<b>CURRENT LIABILITIES</b>		
<b>Creditors</b> - amounts falling due within 1 year	8	<u>(133,892)</u>
<b>NET CURRENT ASSETS</b>		760,882
<b>NET ASSETS</b>		<u><u>11,968,647</u></u>
<b>CAPITAL FUNDS</b>		
Expendable endowment	9	11,968,647
<b>INCOME FUNDS</b>		
Unrestricted funds	9	-
		<u><u>11,968,647</u></u>

Approved by the Trustees on      August 2013 and signed on their behalf by:

.....  
Judith Portrait  
Trustee

The notes on pages 7 to 10 form part of these accounts

# THE GLASS-HOUSE TRUST

## 5 April 2013

### NOTES TO THE ACCOUNTS

#### 1. STATUTORY

- a) The company is limited by guarantee and has no share capital.
- b) The members undertake to contribute not more than £10 each if required in the event of a winding up of the company.
- c) The company is registered under the Charities Act 2011 and is incorporated in England and Wales.

#### 2. ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP 2005) "Accounting and reporting by Charities" and the Companies Act 2006.

The principal accounting policies adopted are as follows:

- a) Income
  - (i) Income is shown gross which includes the associated tax credit unless the tax so deducted is considered irrecoverable.
  - (ii) Dividends are included by reference to their due dates.
  - (iii) Interest is recorded only when it has been received.
- b) Grant expenditure
 

Although no grants were approved in the period, certain grants commitments were taken on by the Company as part of the transfer of assets and liabilities from a separate Charitable Trust, the Glass-House Trust (see note 3).

Payments that are due within one year of the year-end date are included within grant expenditure in the Statement of Financial Activities and total £99,050. 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 year-end are noted as a commitment but not accrued as expenditure.
- c) Investments
 

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities. Investments in shares are shown at mid market value, whilst investments in managed funds are shown at bid value.

Partial disposals are accounted for using average book value.
- d) Governance costs
 

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit, legal fees where relevant, together with an allocation of support costs.
- e) Depreciation
 

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

The following rate has been used:

Leasehold Improvements (excluding land)	-	10% per annum
Freehold Property	-	2% per annum



**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**NOTES TO THE ACCOUNTS (Continued)**

**3. ASSETS AND LIABILITIES TRANSFERRED FROM CHARITABLE TRUST**

On 5 April 2013, the Company received assets and liabilities totalling £11,991,768 from The Glass-House Trust, a Charitable Trust.

**4. ALLOCATION OF SUPPORT COSTS**

	Provision of Accommodation For charities	Grant- Making	Governance	2013 Total
	£	£	£	£
Depreciation	-	730	-	730
Other costs	19,139	-	-	19,139
Auditors' remuneration	-	-	3,252	3,252
	<u>19,139</u>	<u>730</u>	<u>3,252</u>	<u>23,121</u>

No Trustees received remuneration or were reimbursed expenses during the year.

**5. TANGIBLE FIXED ASSETS**

	Freehold Property	Leasehold Improvements	Total
	£	£	£
Cost			
Additions	1,382,769	7,300	1,390,069
<b>At 5 April 2013</b>	<u>1,382,769</u>	<u>7,300</u>	<u>1,390,069</u>
Depreciation			
Charge for year	-	730	730
<b>Accumulated depreciation at 5 April 2013</b>	<u>-</u>	<u>730</u>	<u>730</u>
<b>Net book value at 5 April 2013</b>	<u>1,382,769</u>	<u>6,570</u>	<u>1,389,339</u>

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**NOTES TO THE ACCOUNTS (Continued)**

**6. FIXED ASSET INVESTMENTS**

	<u>2013</u>
	£
Transferred in (see note 3)	9,818,426
<b>Market value 5 April 2013</b>	<u>9,818,426</u>
Historical cost 5 April 2013	<u>9,818,426</u>

The investments held as at 5 April 2013 were as follows:

	<b>Cost</b>	<b>2013 Market Value</b>
	£	£
Fixed Interest	3,605,584	3,605,584
U.K. Equities	4,715,199	4,715,199
Overseas Equities	1,497,643	1,497,643
	<u>9,818,426</u>	<u>9,818,426</u>

Fixed interest investments at 5 April 2013 included the following at market value:

	£
Charity Funds Fixed Income COIF	1,218,355
iShares Index Linked Gilt	1,117,032
M&G Securities Ltd Charibond Income	1,270,197

UK Equities at 5 April 2013 included the following at market value:

Artemis Income Fund	619,479
BNY Mellon Absolute Return Equity Fund	551,220
Liontrust Income Fund	556,491
Franklin UK Equity Income	557,106
J Sainsbury plc	1,019,975
Threadneedle UK Equity Income	579,319

**7. DEBTORS**

	<u>2013</u>
	£
Income tax recoverable	1,339
Other debtors	<u>136,068</u>
	<u>137,407</u>

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**NOTES TO THE ACCOUNTS (Continued)**

**8. CREDITORS**

	<u>2013</u>
	£
Grants payable	99,500
Professional charges	10,854
Accruals	23,538
	<u>133,892</u>

**9. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<u>Unrestricted</u>	<u>Expendable</u>	<u>Totals</u>
	<u>Funds</u>	<u>Endowment</u>	<u>2012</u>
	£	£	£
Fund balances at 5 April 2013 are represented by :			
Tangible fixed assets	-	1,389,339	1,389,339
Investments	-	9,818,426	9,818,426
Current assets	110,354	784,420	894,774
Current liabilities	(110,354)	(23,538)	(133,892)
<b>Total net assets</b>	<u>-</u>	<u>11,968,647</u>	<u>11,968,647</u>

**10. CAPITAL COMMITMENTS**

During the year, the Company entered into various contracts for building works to its freehold property. As at 5 April 2013, works to the value of around £200,000 remained outstanding, for which the Company was committed.

## **THE GLASS-HOUSE TRUST**

### **5 April 2013**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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

Company 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 company 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 charitable company/charity and of its net incoming 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

So far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. The trustees have each taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# THE GLASS-HOUSE TRUST

## 5 April 2013

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE GLASS-HOUSE TRUST

We have audited the financial statements of The Glass-House Trust for the period ended 5 April 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE GLASS-HOUSE TRUST**  
**5 April 2013**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Michael Hicks**

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

**London**