

Company Registration No: 7866189
Charity No: 1144990

THE GLASS-HOUSE TRUST
ANNUAL REPORT
5 APRIL 2021

The Peak
5 Wilton Road
London SW1V 1AP

THE GLASS-HOUSE TRUST
5 April 2021

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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.

Trustees/ Directors	Alex Sainsbury Elinor Sainsbury Judith Portrait	
Registered Office	The Peak 5 Wilton Road London SW1V 1AP	
Principal Officers	Karen Everett Matthew Williams	Chief Operating Officer Executive
	All 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 Advisers	Bordier & Cie (UK) 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 current areas of interest are reflected in the grant-making activities, as detailed on page 4 of the Report of the Trustees.

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REPORT OF THE TRUSTEES (continued)

Organisation

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

Trustees are appointed by ordinary resolution and are provided with relevant information relating to their responsibilities as Trustees.

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 to an appropriate extent at the current time.

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. The Trust does not raise funds from the public.

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 represent funds earmarked for continued support to certain existing beneficiaries, although recipients have not yet met the conditions of the grant. 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. As at 5 April 2021, the Trust held total funds of £10.4 million (2020: £9.4 million), all of which is comprised entirely of expendable endowment.

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 charity'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.

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REPORT OF THE TRUSTEES (continued)

Trustees have identified as a key risk the misuse of funds by a grant beneficiary. To mitigate this risk, funds are awarded following a thorough assessment and grants are regularly monitored. Grants awarded for more than one year are subject to annual review.

Staff Remuneration

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 the comparable positions in similar organisations.

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.

During the period, the portfolio at a consolidated level increased in value, by 13.6% (2020: slipped by 7.86%). This compares with an increase in the ARC Sterling Cautious PCI, which increased by 17.86% (2020: slipped by 2.30%).

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 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 endowment assets of the Trust remain significant and these will continue to return income to the Trust. The level of income generated by the portfolio has now stabilised and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's objects.

Review of the Past Year

The net unrestricted expenditure of the Trust for the year after charging support costs was £465,125. The net assets of the Charity increased from £9,449,712 at 5 April 2020 to £10,409,134 at 5 April 2021, an increase of 10.1%.

The Trustees met once during the year to make grants and twice more to review investment activity. During the year, grants to the value of £nil (2020: £1,161,530) were approved.

Grants are made to projects initiated by the Funder or Trustees, including projects initiated jointly by the Trustees and the beneficiary ("Projects initiated by Trustees"), and projects drawn to Trustees' attention which they consider have particular merit ("Other projects"). Grants paid during the year may be analysed by number and by value in these two categories as follows:

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REPORT OF THE TRUSTEES (continued)

	Grants Paid	Value £
Projects initiated by Trustees	10	330,000
Other projects	3	40,530
	13	370,530

Grants paid in 2020/21 are listed on pages 5-6, together with a brief description of the wider aims of each organisation supported.

Future Plans

The Trust will continue to support projects in accordance with the categories described above. Trustees do not foresee a significant change in projects supported in the next few years.

GRANTS PAID

PROJECTS INITIATED BY TRUSTEES - £330,000

A Space - £55,000

Towards the Director's salary.

A Space provides therapeutic support – especially through creative activities – for children within primary and secondary schools in Hackney. This pioneering project was set up by Trustees in 1998 and aims to foster children's emotional expression and development.

Four Corner Books - £100,000

Towards the running costs of the organisation.

This not-for-profit publisher seeks to bring art history to life. It aims to create a space to reflect on artists and creative outputs from the recent past that have been overlooked, and to champion this creativity, in an accessible way.

Glass-House Community-Led Design - £100,000

Towards core costs.

This project was set up by Trustees in 2000 and established as an independent charity in 2006. It provides design advice to residents and communities participating in the regeneration of social housing, neighbourhood buildings, spaces and streets. The charity also train professionals and members of the public in participatory design for the built environment.

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REPORT OF THE TRUSTEES (continued)

MayDay Rooms - £50,000

Towards the running costs of the organisation.

MayDay Rooms is an educational archiving project based in London's Fleet Street, which was initiated in collaboration with the Glass-House Trust. MayDay Rooms finds ways to make publicly available, conserve and study archives and other historical material linked to social movements, experimental culture, and marginalised figures and groups. The work involves extensive transfer of fragile materials into digital forms, and exploration of these materials through workshops, public events, discussions, exhibitions, and the training up of 'citizen archivists.'

Raven Row - £25,000

Towards running costs.

Raven Row is a contemporary art exhibition centre in Spitalfields, East London established in historic and award-winning contemporary buildings in 2009. Raven Row makes exhibitions of modern and contemporary art, which are free to the public to visit. Programmes of publications, discussions and events are organised alongside these exhibitions. In 2018, Raven Row entered a reflective period to assess its nine years of exhibition making and research a future programme. In the meantime, it will open up its galleries to a residency programme for young community and outreach-based artist groups.

OTHER PROJECTS - £40,530

Money for Madagascar - £20,530

Towards the running costs of Akany Hasina, improving the standard of reading in schools, child protection training, and part of the cost of an in-country representative to assist with the development, monitoring and evaluation of projects.

Akany Hasina is a small non-governmental organisation in Madagascar that teaches English language, traditional Malagasy culture, and environmental awareness and conservation.

Money for Madagascar is a UK charity that funds projects in Madagascar to tackle extreme poverty, loss of biodiversity, poor health, food insecurity and limited access to education.

The Sainsbury Archive - £5,000

Towards core costs.

The Sainsbury Archive, housed at the Museum of Docklands, documents the history of J Sainsbury plc from its foundation in Drury Lane in 1869, but also provides a unique record of the history of retailing since the mid-19th century and the impact of this on society.

Transform Drug Policy Foundation - £15,000

Towards the charity's running costs.

Drug policy is a matter of public concern which impacts on many people's lives directly and indirectly. Transform highlights the negative social and economic costs of wholesale prohibition and encourages rational discussion of alternative approaches.

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Approved by the Board on 10 December 2021 and signed on their behalf by:



.....
Alex Sainsbury – Trustee

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE GLASS-HOUSE TRUST

Opinion

We have audited the financial statements of The Glass-House 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.

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.

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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.

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

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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.

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

22 December 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.

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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:					
Investments	3	192,144	-	192,144	203,337
Bank deposit interest		58	-	58	2,593
Total income and endowments		192,202	-	192,202	205,930
Cost of raising funds:					
Investment management costs		-	24,415	24,415	25,580
Charitable activities					
Grant-making:					
Grant expenditure	4	395,530	-	395,530	391,000
Support costs	5	66,163	-	66,163	65,361
Cost of grant-making		461,693	-	461,693	456,361
Total expenditure		461,693	24,415	486,108	481,941
Net operating deficit		(269,491)	(24,415)	(293,906)	(276,011)
Net gains/(losses) on investment	8	0	1,307,811	1,307,811	(1,040,394)
Loss on foreign exchange			(35,780)	(35,780)	(35,461)
Transfers between funds	11	269,491	(269,491)	-	-
Net movement in funds		-	978,125	978,125	(1,351,866)
Reconciliation of funds:					
Total funds brought forward	11	-	9,449,712	9,449,712	10,801,578
Total funds carried forward		-	10,427,837	10,427,837	9,449,712

The notes on pages 15 to 24 form part of these accounts.

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BALANCE SHEET**AS AT 5 APRIL 2021**

	<i>Notes</i>	<u>2021</u>	<u>2020</u>
		£	£
FIXED ASSETS			
Tangible fixed assets	7	1,387,468	1,419,423
Investments	8	9,109,305	8,020,934
		<u>10,496,773</u>	<u>9,440,357</u>
CURRENT ASSETS			
Debtors	9	15,271	2,531
Cash at bank and in hand		<u>336,756</u>	<u>391,888</u>
		352,027	394,419
CURRENT LIABILITIES			
Creditors - amounts falling due within 1 year	10	<u>(420,963)</u>	<u>(385,064)</u>
NET CURRENT (LIABILITIES) / ASSETS		(68,936)	9,355
NET ASSETS		<u>10,427,837</u>	<u>9,449,712</u>
CAPITAL FUNDS			
Expendable endowment	11	10,427,837	9,449,712
INCOME FUNDS			
Unrestricted funds	11	-	-
		<u>10,427,837</u>	<u>9,449,712</u>

The financial statements were approved and authorised for issue by the Trustees on 10 December 2021 and were signed on their behalf by :



..... TRUSTEE

The notes on pages 15 to 24 form part of these accounts.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2021

RECONCILIATION OF NET EXPENDITURE TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	<u>(428,988)</u>	<u>(343,824)</u>
Cash flows from investing activities		
Dividends and income	192,202	205,930
Purchase of investments	(2,854,765)	(5,553,686)
Purchase of fixed assets	(2,007)	-
Sale of investments	1,999,279	5,879,795
Net cash provided by investing activities	<u>(665,291)</u>	<u>532,039</u>
Change in cash and cash equivalents in the year	(1,094,279)	188,215
Cash and cash equivalents at the beginning of the year	1,476,484	1,288,269
Cash and cash equivalents at the end of the year	<u>382,205</u>	<u>1,476,484</u>

	2021	2020
	£	£
Reconciliation of net cash provided by operating activities		
Net movement in funds as per statement of financial activities	978,125	(1,351,866)
(Gains)/losses on investments	(1,307,811)	1,040,394
Dividends and income	(192,202)	(205,930)
Exchange losses	35,780	35,461
Depreciation charge	33,961	33,674
Decrease in debtors	(12,740)	3,250
Increase in creditors	35,899	101,193
Net cash used in operating activities	<u>(428,988)</u>	<u>(343,824)</u>

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

	2021	2020	Change in year
	£	£	£
Cash at bank and in hand	336,756	391,888	(55,132)
Cash balances held by investment manager for reinvestment	45,449	1,084,596	(1,039,147)
	<u>382,205</u>	<u>1,476,484</u>	<u>(1,094,279)</u>

The notes on pages 15 to 24 form part of these accounts.

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NOTES TO THE ACCOUNTS

1. STATUTORY

The charity is a company limited by guarantee (registered number 7866189), which is incorporated and domiciled in the UK and is a public benefit entity. 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 Companies Act 2006 and 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 trust constitutes a public benefit entity as defined by FRS 102.

In the view of the Trustees, there are no material uncertainties casting doubt on the going concern of the charity.

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 investment portfolio has performed strongly during the year and has recovered the reduction The endowment assets of the Trust remain significant and these will continue to return income to the Trust. The level of income generated by the portfolio has now stabilised and the Trust will continue to pay out to its beneficiaries in accordance with the Trust's 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.

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2. ACCOUNTING POLICIES (cont ...)

d) 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, while investments in managed funds are shown at bid value.

Disposals are accounted for using market value at disposal date.

e) 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.

f) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit and legal fees where relevant.

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 £9,063,856 (2020: £6,936,339).

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 (excluding land) - Over the remaining life of the lease.

Freehold property - 2% per annum

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2. ACCOUNTING POLICIES (cont ...)

j) 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 and 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.

3. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2021		2020	
	£	%	£	%
Fixed Interest	44,076	23	39,050	19
U.K. Equities	73,950	38	87,872	43
Overseas equities	74,118	39	76,415	38
	192,144	100	203,337	100

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NOTES TO THE ACCOUNTS

4. GRANTS PAYABLE

	<u>2021</u>	<u>2020</u>
	£	£
Reconciliation of grants payable:		
Commitments at 6 April 2020	375,000	275,530
Grants not accrued at 6 April 2020	770,530	-
Grants approved in the period		1,161,530
Grants not accrued at 5 April 2021	<u>(375,000)</u>	<u>(770,530)</u>
Grants payable for the period	395,530	391,000
Grants paid/refunded during the period	(370,530)	(291,530)
Commitments at 5 April 2021	<u><u>400,000</u></u>	<u><u>375,000</u></u>
Commitments at 5 April 2021 are payable as follows:		
	<u>2021</u>	<u>2020</u>
	£	£
Within one year (note 10)	<u><u>400,000</u></u>	<u><u>375,000</u></u>

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants that are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2021 was £375,000 (2020: £770,530).

The amounts payable in the year included the following:

	£
Projects Initiated by Trustees	
A Space	55,000
Glass-House Community-Led Design	100,000
Mayday Rooms	50,000
Raven Row	25,000
Other Projects	
Four Corners Books	100,000
Money for Madagascar	20,530
The Sainsbury Archive	5,000
Transform Drug Policy Foundation	15,000
	<u><u>370,530</u></u>

THE GLASS-HOUSE TRUST
5 April 2021

NOTES TO THE ACCOUNTS**5. GRANT RELATED SUPPORT COSTS**

	Accommodation for charities	Grant- Making	Governance	2021 Total	2020 Total
	£	£	£	£	£
Staff costs	-	8,472	2,024	10,496	15,250
Share of joint office costs	-	6,297	-	6,297	6,758
Direct costs including travel	-	548	-	548	632
Legal and professional fees	-	3,288	-	3,288	5,772
Depreciation	32,944	1,017	-	33,961	33,674
Auditors' remuneration	-	-	8,023	8,023	3,275
	<u>32,944</u>	<u>19,622</u>	<u>10,047</u>	<u>62,613</u>	<u>65,361</u>

No trustee received remuneration or was reimbursed expenses during the period for their services as trustee.

Included in auditors' remuneration is:	£
Fee for the completion of the 2020/21 audit	10,255
Fee for the completion of the 2020/21 Corporation tax return	1,200

6. ANALYSIS OF STAFF COSTS

	2021	2020
	£	£
Salaries and wages	8,607	12,320
Social security costs	972	1,408
Other pension costs	917	1,522
	<u>10,496</u>	<u>15,250</u>

The Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 0.2% (2020: 0.2%) of the total support and administration costs of these trusts have been allocated to the Glass House Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2020/21.

The actual number of staff employed during the year was 6, all on a part-time basis (2019/20: 10). This equates to 0.08 full-time employees (2019/20: 0.2). The Trust considers its key management personnel to comprise the Principal Officers. The total employment benefits, including employer pension contributions to group personal pensions, of those key management personnel, were £2,488 (2019/20: £6,465). No employees of the charity earned in excess of £60,000 (2019/20: none).

THE GLASS-HOUSE TRUST
5 April 2021

NOTES TO THE ACCOUNTS**7. TANGIBLE FIXED ASSETS**

	Freehold property	Leasehold improvements	Total 2021
	£	£	£
<u>Cost</u>			
Balance at 5 April 2020	1,647,219	7,300	1,654,519
Additions	-	2,007	2,007
Balance at 5 April 2021	1,647,219	9,307	1,656,526
<u>Depreciation</u>			
Balance at 6 April 2020	229,257	5,840	235,097
Charge for the period	32,944	1,017	33,961
Accumulated depreciation at 5 April 2021	262,201	6,857	269,058
Net book value at 5 April 2021	1,385,018	2,450	1,387,468
Net book value at 5 April 2020	1,417,962	3,467	1,421,428

8. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Market value 6 April 2020	6,936,338	8,338,302
Less: Disposals at proceeds	(1,999,279)	(5,879,795)
Add: Acquisitions at cost	2,854,765	5,553,686
Net (loss)/gain on revaluation of investments	1,272,032	(1,075,855)
Market value 5 April 2021	9,063,856	6,936,338
Investment cash holdings	45,449	1,084,596
Total investments	9,109,305	8,020,934
Historical cost 5 April 2021	9,130,637	9,350,079

THE GLASS-HOUSE TRUST
5 April 2021

NOTES TO THE ACCOUNTS**8. FIXED ASSET INVESTMENTS (Continued)**

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

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Fixed Interest	1,039,311	1,041,487	687,396	698,150
UK Equities	2,142,461	1,617,455	2,891,395	1,992,139
Overseas Equities	4,969,776	5,408,709	3,667,872	3,175,372
Alternatives	933,640	996,205	1,018,820	1,070,678
Cash held for reinvestment	45,449	45,449	1,084,596	1,084,596
	9,130,637	9,109,305	9,350,079	8,020,935

During the year £159,247 (2020: £175,981) was disinvested from the investment portfolio to support the Trust's grant expenditure.

9. DEBTORS

	2021	2020
	£	£
Accrued income	15,271	2,531
	15,271	2,531

10. CREDITORS - amounts falling due within one year

	2021	2020
	£	£
Grants payable (note 4)	400,000	375,000
Professional charges	11,160	5,819
Other creditors	9,803	4,245
	420,963	385,064

THE GLASS-HOUSE TRUST
5 April 2021

NOTES TO THE ACCOUNTS

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	-	1,387,468	1,387,468
Investments	-	9,109,305	9,109,305
Current assets	420,963	(68,936)	352,027
Current liabilities	(420,963)	-	(420,963)
Total net assets	-	10,427,837	10,427,837
Movement in the year			
Opening balance as at 5 April 2020	-	9,449,712	9,449,712
Total income and endowments	192,202	-	192,202
Cost of raising funds	-	(24,415)	(24,415)
Cost of grant-making	(461,693)	-	(461,693)
Net loss on investments	-	1,307,811	1,307,811
Loss on foreign exchange	-	(35,780)	(35,780)
Transfers between funds	269,491	(269,491)	-
Closing balance as at 5 April 2021	-	10,427,837	10,427,837

During the year, there was a deficit of income over expenditure on the unrestricted funds of £263,193 (2020: £770,530). This has been funded by a transfer from expendable endowment.

THE GLASS-HOUSE TRUST
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11. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

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

	Unrestricted Funds	Expendable Endowment	Totals 2020
	£	£	£
Fund balances at 5 April 2020 are represented by:			
Tangible fixed assets	-	1,419,423	1,419,423
Investments	-	8,020,934	8,020,934
Current assets	385,064	9,355	394,419
Current liabilities	(385,064)	-	(385,064)
Total net assets	-	9,449,712	9,449,712
Movement in the year			
Opening balance as at 5 April 2019	-	10,801,578	10,801,578
Total income and endowments	205,930	-	205,930
Cost of raising funds	-	(25,580)	(25,580)
Cost of grant-making	(456,361)	-	(456,361)
Net loss on investments	-	(1,040,394)	(1,040,394)
Loss on foreign exchange	-	(35,461)	(35,461)
Transfers between funds	250,431	(250,431)	-
Closing balance as at 5 April 2020	-	9,449,712	9,449,712

12. RELATED PARTY TRANSACTION

Included within grant-related support costs is a total of £3,288 (2020: £3,372) payable for legal services to Portrait Solicitors, a firm in which Miss J S Portrait is a partner. £2,592 (2020: £1,344) was yet to be invoiced at the end of the financial year.

THE GLASS-HOUSE TRUST
5 April 2021

NOTES TO THE ACCOUNTS

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

	<i>Notes</i>	Unrestricted Funds	Expendable Endowment	Total Funds 2020
		£	£	£
Income and Endowment from:				
Investments	3	203,337	-	203,337
Bank deposit interest		2,593	-	2,593
Total income		205,930	-	205,930
Expenditure on:				
Cost of raising funds:				
Investment management costs		-	25,580	25,580
Charitable activities				
Grant-making:				
Grant expenditure	4	391,000	-	391,000
Grant related support costs	5	65,361	-	65,361
Cost of grant-making		456,361	-	456,361
Total Expenditure		456,361	25,580	481,941
Net outgoing resources		(250,431)	(25,580)	(276,011)
Loss on investments	8	-	(1,040,394)	(1,040,394)
Loss on foreign exchange		-	(35,461)	(35,461)
Transfers between funds		250,431	(250,431)	-
Net movement in funds		-	(1,351,866)	(1,351,866)
Reconciliation of funds				
Total funds brought forward	11	-	10,801,578	10,801,578
Total funds carried forward		-	9,449,712	9,449,712