

Charity number: 236852

John Laing Charitable Trust

Report and financial statements
For the year ended 31 December 2019

John Laing Charitable Trust

Contents

For the year ended 31 December 2019

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's report	13
Statement of financial activities.....	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

John Laing Charitable Trust

Reference and administrative information

For the year ended 31 December 2019

Charity number 236852

Country of registration England & Wales

Registered office and operational address 33 Bunn's Lane
London
NW7 2DX

Trustees Sir John Martin K Laing Chairman
Christopher M Laing
Lynette G Krige
Christopher B Waples
Alexandra C B J Gregory
John Benjamin Laing (resigned 20 June 2019)
Stewart C K Laing
Timothy G Foster

Key management personnel Jennifer Impey Trust Director

Bankers HSBC Bank plc
101-103 Station Road
Edgware
Middlesex
HA8 7JJ

Investment Manager Charles Stanley
55 Bishopsgate
London
EC2N 3AS

Solicitors Linklaters
One Silk Street
London
EC2Y 8HQ

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

John Laing Charitable Trust

Trustees' annual report

For the year ended 31 December 2019

The Trustees present their report and the audited financial statements for the year ended 31 December 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The Trustees review the aims, objectives and activities of the Trust each year. This report looks at what the Trust has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the Trust has brought to those groups of people that it helps. The review also helps the Trustees ensure the Trust's aims, objectives and activities remained focused on its stated purpose.

Purpose and aims:

The John Laing Charitable Trust exists to provide for hardship to qualifying former and existing staff and to make grants for the benefit of the public as shall be exclusively charitable which the Trustees from time to time may determine in their absolute discretion and with regard to the guidance published by the Charity Commission under section 4 of the Charities Act 2011. Through grant-making, the Trust aims to improve the quality of life of its beneficiaries. During the year, the Trustees completed their review of the Trust's strategy. The agreed strategy and objectives aim to achieve the Trust's:

Mission

'To care for the welfare of existing and former employees of John Laing and to work with others in the community to improve the lives of those in need.'

Core Values

Community: We believe in encouraging initiatives by those living and working in the community to strengthen their communities by enabling and supporting those in need.

Opportunity: We believe that all people should have the opportunity to develop their full potential and contribute to society.

Compassion: We recognise the Christian values of our founder in addressing the suffering and misfortune of others.

Social Responsibility: We embrace the ethics of social responsibility in all of its activities, respecting the welfare of individuals, communities and the environment.

The principal activities of the Trust:–

Welfare: In recognition of the Trust Deed, the Trustees consider that the welfare of former and current employees of the Company should be the first priority of the Trust. This is managed through a dedicated team of Welfare Officers who carry out planned, targeted and prioritised visits firstly to those previously identified as being in financial need, secondly to those former employees that are over 75 years of age, and thirdly, where time permits to more general visits to pensioners. Where applicable, Welfare Officers may recommend financial assistance. Hardship payments are also available to existing staff and applications are assessed by the Trust Director.

Grant-making: The Trustees in their discretion make grants to charitable organisations and have currently placed a priority on the concerns of homelessness, disadvantaged youth, education and the regeneration of communities including organisation which address concerns relating to the elderly.

The Trust also supports the charitable activities of John Laing (the “Company”) including its engagement in the communities where the Company operates both in the United Kingdom and overseas. The Trust also support a number of the Company’s annual staff initiatives by way of matching their fundraising efforts (the “Staff Matching” scheme) up to the value of £1,500 per individual event; making a £1,000 grant to charitable or not for profit organisations where staff and/or their immediate family are actively involved in (the “Make a Difference” scheme); donations to chosen charitable organisations nominated by staff who are being recognised for their long service and exemplar contribution to the Company.

Structure, governance and management

The John Laing Charitable Trust (the “Trust”) is governed by the Deed of the Trust dated 21 December 1962 as modified by a number of supplemental deeds (the “Deeds”). The Trust was set up by John Laing plc (the “Company”) with very general charitable objectives. The Trust was later combined with the Laing Benevolent Fund (the “Fund”) which had been set up in 1932 by Sir John Laing in order to provide for hardship to staff who had done valuable work for the Company and served considerable time.

The Company originally covenanted to make payments to the Trust of £10,000 per year for a period of seven years.

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. The income received from these investments is utilised to fund the Trust’s welfare payments and its charitable work as a grant-making charity.

Appointment of Trustees

The power to appoint new Trustees was initially fully vested in the Company, which was instrumental in setting up the Trust. The Company gave up this entitlement in December 2015, only retaining their right to appoint two ("Company Trustees") of the maximum eight Trustees with the remaining six ("non-Company Trustees") to be appointed by the Trustees. Trustees are recruited for their experience, empathy and knowledge of the Trust and its values and to keep the skills and composition of the trustee body.

Trustee induction and training

On their appointment, new Trustees are given an induction by the Trust Director which includes a welcome pack containing the history of the Trust, a copy of the Trust Deed as well as minutes of the previous year's Trustees meetings, the latest published accounts and budget for the current year. If required Trustees can attend courses to familiarise themselves with the Charity Commission's Essential Trustee guidance.

Related parties and relationships with other organisations

The Trustees are responsible for the general control and governance of the Trust. The Trustees give their time freely and receive no remuneration or other financial benefits. Details of the Trustee expenses and related party transactions are disclosed in note 8 to the accounts. Trustees are required to disclose all relevant interests and register them with the Board of Trustees and in accordance with the Trust's policy do not participate in decisions where a conflict of interest arises.

Day-to-day operation of the Trust

The Trustees delegate the day-to-day management and operation of the Trust to the Trust Director. The Trust Director, together with the Office Manager, Publishing and Communications Manager and 8 members of the Welfare Team are directly employed by the Trust. The pay of the senior staff is reviewed annually.

Learning and Development

The Trust aims to develop its people through provision of learning activities so that they are equipped to pursue the Trust's purpose and to help inform Trustees in their decisions making. During the year:

- In March and September 2019, members of staff and some Trustees attended the Team away days. This allowed
 - Sharing of experiences from Welfare Team
 - Peer to peer learning of best practices
 - Training on General Data Protection Regulation delivered by Farrer & Co
 - Presentation from the John Laing pension departments

- Outcomes from these meetings inform Trustees about emerging needs from pensioners on the Trust's visiting and welfare payments schemes
- External training as identified were provided to members of staff
- Trust Director attended a number of training and meeting days organised by the Association of Charitable Foundations and the Association of Charitable Organisations
- Charity partners met with some Trustees to help with Strategy planning
- Trustees are informed of opportunities to attend training days. The recently appointed Trustee attended a Trustee training day.
- Some Trustees were able to visit projects which offered learning opportunities
- External Presenters were also invited to the Trustees' board meeting

Strategic Priorities for grant making

Community

Our strategic aim is to support organisations that promote integration in the community and help tackle poverty with particular regard to loneliness and isolation, discrimination, disability and mental health issues.

Disadvantaged Youth

Our strategic aim is to support charities and initiatives that are proven to break the cycle of disadvantage for young people, and contribute to the path of increased opportunities, employability, employment and independence.; and

To provide grant funding to organisations that demonstrate success in addressing inequality of opportunity for young people who are disadvantaged due to marginalisation or poverty; abuse or neglect; mental illness; and physical and learning disability.

Education

Our strategic aim is to provide grant funding to organisations that can improve the life chances of disadvantaged young people and support the education and development of essential life skills and employment in areas of deprivation.

Homelessness

Our strategic aim is to support and learn from organisations that provide holistic solutions for homeless individuals and to promote innovative models for long term accommodation.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The Trust's main activities and beneficiaries are described below. All its charitable activities are undertaken to further John Laing Charitable Trust's charitable purposes for the public benefit and to achieve the Trust's strategic objectives

Welfare: The following were achieved in the year

- i. Visits: The Welfare Team aims to carry out planned visits. During the year, they carried out a total of 1,886 visits (2018 – 1,727) comprising of 1,191 home visits (2018 – 1,108). A further 695 (2018 – 619) contacts were made with former employees by other means (i.e. by telephone or correspondence). Pensioners living in remote places or follow-on from home visits are ordinarily done by telephone.

The Trust also supports a network of nine John Laing Retirement Clubs across the country with funding. These Clubs are independent from the Trust. They are managed by volunteer members of each Club. These thriving clubs organise various social events and outings where former colleagues and friends can get together. These services are valued by pensioners, club members and their families. They provide assistance in tackling the effects of isolation and loneliness.

- ii. Payments: The Trustees make available funds to pensioners who qualify for financial help. Welfare visits and contacts allow the Trustees to make informed decisions on how best to give financial support and assistance to those most in need. Where appropriate, Welfare Officers will put forward a recommendation for financial assistance on behalf of pensioners. In 2019, total payments made in relation to Welfare activities amounted to a total of £523,000 (2018 – £485,000) to 270 (2018 – 311) beneficiaries, most of whom received more than one payment during the year. Financial assistance comes in the form of gratuity payments or funding towards the purchase of goods or services designed to make a difference in the day to day lives and independence of our ageing beneficiaries.

Charitable Giving: Trustees are sympathetic to the challenges faced by charities and aim to make grants which respond directly to the priorities identified by our charity partners which are aligned to the strategic priorities of the Trust. They consider the appropriateness of each application and award grants based on their merits. During the year, the Trustees awarded grants in support of work streams which will help achieve their strategic aims:-

- i. **COMMUNITY:** Grants awarded help to address strategic priority issues of:-
 - Loneliness and isolation in the community

Independent Age	£50,000	Reconnecting people to community
Leger des Heils	£20,575	Provision of summer break for families

Trustees' annual report

For the year ended 31 December 2019

- Increasing mental health issues
 - FareShare £50,000 Relieving food poverty
 - Turn2 Us £25,000 Greater access to financial help
 - The Alder Centre £32,000 Garden landscaping and therapy room

- Increased barriers to integration into the society
 - ReadEasy £25,000 Helping adults to read
 - Cugny Municipality £17,840 Creation of rooms for local groups
 - Lire A Cugny £ 640 Community library

DISADVANTAGED YOUTH: Grants awarded help to address strategic priority issues of:-

- Increasing marginalisation of a significant proportion of young people
 - Bede House £20,000 Creative alternatives for young people
 - Samaritas £46,500 Youth Independent Living programme

- Lack of resources applied to 16 to 18 year olds who are NEET (Not in Education, Employment or Training)
 - The Prince's Trust £25,000 Achieve programme

- Increased mental health issues in young people.
 - PACE £25,000 Helping families to safeguard children
 - Ormiston Families £70,000 Reduce impact – parental imprisonment

- Increasing youth offending and re-offending rates in the 10-17 age group.
 - Duke of Edinburgh Award £10,000 Work in young offender institutions

EDUCATION: Grants awarded help to address strategic priority issues of:-

- Inequality of opportunity for children from deprived backgrounds
 - National Literacy Trust £25,000 Young Readers Programme
 - Arvon £25,000 Strengthening students' confidence
 - Atlantic College £46,500 Access to education through bursary
 - Place2Be £25,000 Improving mental health with Parents
 - Right to Succeed £25,000 Closing literacy gap for 11-14 year olds
 - Syndicat du pole Educatif £11,688 Providing multi-media library

- Lack of knowledge amongst parents, teachers and young people linking curriculum learning to the knowledge and skills required for future work
 - Envision £30,000 Help students' skills and efficacy
 - Groundwork East £42,500 Extending learning to school grounds

John Laing Charitable Trust

Trustees' annual report

For the year ended 31 December 2019

- Young people leaving school without the knowledge and skills to meet skills shortages
 - Business in the Community £35,000 Students and schools skills training
 - IMC Weekend School £28,212 Extra-curricular, weekend schooling
- Lack of motivation in students
 - Learning thru Landscapes £42,500 Helping children learn through building
- Inconsistent leadership skills of teachers that impact outcomes of students
 - Teach First £40,000 Transforming through leadership
 - The PTI £ 2,000 Assist with teacher training costs

HOMELESSNESS – Grants awarded help to address strategic priority issues of:–

- Lack of safe accommodation (temporary or permanent)
 - Crawley Open House £125,000 Creation of move on accommodation
 - Coram Voice £ 25,000 Outreach to avoid youth homelessness
- Lack of education and rehabilitation to deal with root causes
 - Homeless Link £51,584 Deliver strength based toolkit
 - Emmaus £30,000 Develop and test new social enterprises
- Lack of access to training and pathways to work – to achieve independent living
 - Depaul £10,000 Provide money management training
- The cycle of homelessness
 - Shelter from the Storm £75,000 Client help to move on accommodation
 - Samaritas £46,703 Support to move on accommodation

Financial review

The Trustees aim to finance grant and operational needs out of investment income. Funding targets are set based on the anticipated income from the investment portfolio and may be adjusted to take into account circumstances surrounding the changing needs of our beneficiaries and the sector. The Trustees continue to achieve the objectives of the Trust by careful management of the endowment in prevailing markets in order to preserve the long term value of the investments in real terms as well as maximising the income the portfolio can generate for disbursement.

£'000	31 December 2019	31 December 2018
Income	2,713	2,601

Income was generated from interest and dividends received from the portfolio of investments.

John Laing Charitable Trust

Trustees' annual report

For the year ended 31 December 2019

£'000	31 December 2019	31 December 2018
Total Funds at end of year	69,055	61,625
After net gains/(losses) for the year	7,534	(3,115)
Market Value at end of year	69,391	61,979

The Trustees seek to optimise performance through a diversified asset portfolio applying a medium high risk strategy. Out of £69.4 million of assets, £63.8 million of the Trust's portfolio is managed by Charles Stanley & Co Limited ("Charles Stanley") against a range of indicators and benchmarks deemed satisfactory by the Trustees. Investments are made under the constraints placed by the Trustees as described in the Investment Policy.

The portfolio provided a resilient performance during the year. The portfolio managed by Charles Stanley increased in value by £7,232,000 at the end of year valuation.

The rest of the assets are monitored directly by the Trustees and relate to investments in Diversified Portfolio for Charities ("DPFC") with a value of £5.6 million, reporting a £122,000 gain in the period. Income of £330,000 for the year is attributable to investments in DPFC.

Investment Policy

The Trust retains the services of Charles Stanley who operate within agreed guidelines established and reviewed by the Trustees. The Trustees have an uncontrolled discretion as to how the Trust's property is invested by DPFC, and their powers contained in the Deeds are to invest as if they were the beneficial owners of the Trust property.

The current investment strategy agreed with Charles Stanley is a medium to high level of risk and within the following ethical parameters. Any investments made on behalf of the Charity must comply with the following restrictions:

- Overseas investments are to be held indirectly and must not contain investments in Japan, Russia, Syria or countries with embargo.
- Overseas investments must not be more than 5% in Europe and China and no more than 30% in America. There should be no direct investments in companies predominantly involved in the production of alcohol, armaments or tobacco.

The investment policy of the Trustees is to achieve investment income and medium-term growth of capital, from the portfolio. The assets should be managed to at least maintain the real capital value of the portfolio, whilst generating a sustainable level of income to support the various charitable activities.

Principal risks and uncertainties

Trustees are responsible for monitoring the risks facing the Trust and ensuring arrangements to manage these risks are reviewed regularly. The risk management process involves identifying potential risks, the likelihood of these risks arising and severity of their impact, as well as reviewing the measures taken to mitigate against them.

The principal risks facing the Trust are:-

- 1 Reputational risks due to intended or accidental actions by Trustees, staff and organisations related to the Trust's activities: These risks are mitigated by internal checks backed by professional advice, including safeguarding policy and serious incident reporting.
- 2 Reduction in sum available for grants due to marked reduction in income and asset valuation due to inappropriate investing and adverse investments decisions: These are mitigated by diverse portfolio of investments, managed by a monitored investment manager on a discretionary basis. Performance of investments are reviewed by the Trustees, at least twice a year.
- 3 Future recruitment of staff especially Welfare Officers in order to replace those wishing to retire or resigning: Welfare Officers have been former employees of John Laing and therefore have historical knowledge, in the future we may need to recruit external candidates if former employees no longer wish to apply for the vacancies. This risk is mitigated by annual staff reviews and planned succession planning.

Reserves policy and going concern

The Trust does not run a specific Reserves Policy. The Trustees manage the assets of the Trust as "expendable endowment" to provide income from which to make grants. The whole endowment therefore is available to act as reserves.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. Since the year end, there has been a global pandemic. The Plans for the future section of this report describes the Trustees response to COVID-19.

Fundraising

The Trust does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Trust nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Trust received no complaints relating to its fundraising practice.

Plans for the future

The Trustees have no immediate plans to change the activities of the Trust. The provision of welfare service adapts to the changing needs of the ageing population of pensioners in need of assistance. Over time, their number is expected to decline and as they do so, the balance of charitable donations will increase compared to the expenditure on welfare services. The impact of this change on resources will be reviewed regularly.

There will be continued review of grant making policy as well as impact measurement and reporting to ensure grants are making a real difference. Trustees will seek opportunities to achieve a multiplier effect to the grants they award whether as a leverage to attract other funders or to form partnerships with them

Since the year end and following the spread of Coronavirus, the Trustees have considered the impact of COVID-19 on the Trust:-

- **Current Operations:**
 - **Welfare and Operations:** The Trust already operate remote working therefore it was an easy transition to implement working from home following the Government's advice on lockdown. The Welfare services were adapted accordingly with visits being made by telephone. Welfare benefits where needed are being paid electronically.
 - **Grants:** The Trustees recognise the challenges created by the COVID-19 pandemic especially to small charities. In response, the Trustees set aside £1.5 million to fund organisations supporting people affected by the pandemic and need urgent support. To date, the Trustees agreed a contribution of £650,000 to the National Emergencies Trust (NET) Appeal for 2020. The Trust also offer current charity partners flexibility around grants, timescales and reporting.

- **Future plans:** The Trustees acknowledge that impact of COVID-19 will be felt for a period of time and have committed a further £200,000 grant to the NET in 2021.

- **Investment valuation:** The Trust has seen a reduction in the value of its investments, in line with the overall reduction in the stock market. Trustees will continue to review the investment policy and risk profile in order to optimise the potential for asset growth and income going forward.

- **Going concern:** There are still sufficient unrestricted funds available for the Trust to remain operational on a going concern basis.

Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 in operation

John Laing Charitable Trust

Trustees' annual report

For the year ended 31 December 2019

The Trustees are responsible for keeping proper accounting records that 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP were appointed as the auditor during the year.

The Trustees' annual report has been approved by the Trustees on 1 July 2020 and signed on their behalf by

Christopher B Waples
Trustee

Independent auditor's report

To the members of

John Laing Charitable Trust

Opinion

We have audited the financial statements of John Laing Charitable Trust (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 31 December 2019 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

Independent auditor's report

To the members of

John Laing Charitable Trust

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 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- 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 statement of trustees' responsibilities set out in the trustees' annual report, 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 regulations made under section 154 of that Act.

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

Independent auditor's report

To the members of

John Laing Charitable Trust

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

3 July 2020

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

John Laing Charitable Trust

Statement of financial activities

For the year ended 31 December 2019

	Note	2019 Total £'000	2018 Total £'000
Income from:			
Donations and legacies	2	25	20
Investments	3	2,713	2,601
Other		4	-
Total income		2,742	2,621
Expenditure on:			
Raising funds		(147)	(131)
Charitable activities			
Grants	4a	(1,736)	(2,566)
Welfare and related costs	4a	(963)	(908)
Total expenditure		(2,846)	(3,605)
Net expenditure before net gains / (losses) on investments	5	(104)	(984)
Net gains / (losses) on investments		7,534	(3,115)
Net movement in funds		7,430	(4,099)
Reconciliation of funds:			
Total funds brought forward		61,625	65,724
Total funds carried forward		69,055	61,625

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15a to the financial statements.

All funds are unrestricted.

John Laing Charitable Trust

Balance sheet

As at 31 December 2019

	Note	£'000	2019 £'000	£'000	2018 £'000
Fixed assets:					
Freehold property			24		24
Investments	10		69,391		61,979
			<u>69,415</u>		<u>62,003</u>
Current assets:					
Debtors	11	189		255	
Cash in bank and on call		997		1,369	
		<u>1,186</u>		<u>1,624</u>	
Creditors: amounts falling due within one year	12	(1,009)		(1,654)	
Net current assets / (liabilities)			<u>177</u>		<u>(30)</u>
Total assets less current liabilities			<u>69,592</u>		<u>61,973</u>
Creditors: amounts falling due after one year			(537)		(348)
			<u>69,055</u>		<u>61,625</u>
The funds of the charity:	14a				
Unrestricted income funds:					
Designated funds		-		957	
General funds		69,055		60,668	
		<u>69,055</u>		<u>60,668</u>	
Total unrestricted funds			<u>69,055</u>		<u>61,625</u>
Total charity funds			<u>69,055</u>		<u>61,625</u>

Approved by the trustees on 1 July 2020 and signed on their behalf by

Christopher B Waples
Trustee

John Laing Charitable Trust

Statement of cash flows

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		7,430	(4,099)
(Gains)/losses on investments		(7,534)	3,115
Dividends, interest and rent from investments		(2,757)	(2,563)
(Increase)/decrease in debtors		68	(11)
Increase/(decrease) in creditors		(456)	904
		<u>(3,249)</u>	<u>(2,654)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,757	2,563
Proceeds from sale of investments		1,633	7,849
Cash transferred from investments		-	1,000
Decrease/(Increase) in cash held with investment		1,544	(2,763)
Purchase of investments		(3,055)	(4,979)
		<u>2,879</u>	<u>3,670</u>
Net cash provided by investing activities			
		<u>(370)</u>	<u>1,016</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		1,369	353
Change in cash and cash equivalents due to exchange rate movements		(2)	-
		<u>997</u>	<u>1,369</u>
Cash and cash equivalents at the end of the year			

1 Accounting policies

a) Statutory information

John Laing Charitable Trust is an unincorporated charity registered with the Charity Commission for England and Wales.

The registered office address is 33 Bunns Lane, London, NW7 2DX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income on deposits has been accounted for on an accruals basis. All other investment income has been taken into account on the basis of due date for payment. Foreign income is translated into sterling at the rate ruling at the date of the transaction.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation (where a commitment has been communicated to the recipient) to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the to fees paid to investment manager in connection with the management of Trust's investments
- Expenditure on charitable activities includes the costs of paying grants and welfare payments undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 3 years
- IT and communications equipment 3 years

l) Freehold property

Freehold property is included in the balance sheet at historic cost. The property is not depreciated as the carrying value is less than recoverable amount. Impairment reviews will be conducted on an annual basis by the Trust to ensure the cost recognised on the balance sheet remains appropriate.

1 Accounting policies (continued)

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Pensions

The Trust operates a defined contribution pension scheme with Legal and General. The pension cost charge represents contributions payable under the scheme by the Trust to the fund. The Trust has no liability under the scheme other than for the payment of those contributions.

2 Income from donations

	2019	2018
	Total	Total
	£'000	£'000
Donations	25	20

3 Income from investments	2019 Total £'000	2018 Total £'000
Listed Investments, including unit trusts		
UK	2,185	2,179
Overseas	173	103
Unlisted		
UK	355	319
	<u>2,713</u>	<u>2,601</u>

4a Charitable activities – Grant making (current year)

	Grants to institutions £'000	Grants to individuals £'000	Support costs £'000	2019 £'000	2018 £'000
Grants	1,516	–	220	1,736	2,566
Welfare payments to individuals	–	523	362	885	829
Senior Citizens clubs	–	78	–	78	79
At the end of the year	<u>1,516</u>	<u>601</u>	<u>582</u>	<u>2,699</u>	<u>3,474</u>

The total grants paid and accrued were £2,040,000 (2018: – £2,887,000).

4b Charitable activities–Grant making (prior year)

	Grants to institutions £'000	Grants to individuals £'000	Support costs £'000	2018 £'000
Grants	2,402	–	164	2,566
Welfare payments to individuals	–	485	344	829
Senior Citizens clubs	–	79	–	79
At the end of the year	<u>2,402</u>	<u>564</u>	<u>508</u>	<u>3,474</u>

The Trust support causes concerning the needs under their four key priority areas of Community, Disadvantaged Youth, Education and Homelessness. Further information on grants awarded by size can be found by visiting the Trust's website: johnlaingcharitabletrust.com.

5 Net expenditure before net gains / (losses) on investments

This is stated after charging / (crediting):

	2019 £'000	2018 £'000
Trustee professional indemnity insurance	1	1
Trustees' meeting and travel and subsistence expenses	14	15
Auditor's remuneration (excluding VAT):		
Audit	8	8
	<u>8</u>	<u>8</u>

6 Analysis of staff costs and the cost of key management personnel

Staff costs were as follows:

	2019 £'000	2018 £'000
Salaries and wages	359	345
Social security costs	33	32
Employer's contribution to defined contribution pension schemes	33	31
	425	408
	425	408

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£90,000 – £99,999	1	1
	1	1
	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £118,292 (2018: £119,124).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 10.75 (2018: 11).

8 Related party transactions

Sir Martin Laing is on the Council of Atlantic College which is purely advisory. The Trust does not consider Atlantic College to be a related party as Sir Martin Laing does not play a role which participates in the governance of the College and therefore is able to participate in decisions relating to the College. During the year, the Trust paid a grant of £46,500 (2018: £29,000) to Atlantic College towards student bursary fees. The Trust also granted a capital pledge to Atlantic College of £400,000 towards the building of new students' accommodation. The pledge was paid during the year.

Christopher Laing is the Chairman of Eskmuir Properties Limited (EPL) and Sir Martin Laing is a Director of EPL. EPL is the parent company of Eskmuir Fund Management Limited and Eskmuir Asset Management Limited who are respectively, the Fund Manager and Asset Manager of the Diversified Property Fund for Charities (DPFC). Sir Martin and Christopher Laing are excluded from all discussions relating to investments in DPFC units. There were no DPFC transactions during the year (2018: nil).

The charity Trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,675 (2018: 644) incurred by five (2018: one) member relating to attendance at meetings of the Trustees.

The annual summer luncheon for all nine Retirement Clubs formed for retired John Laing employees are supported by the Trustees. During the year, the costs associated to Trustees' attendance at these events amounted to £10,080 (2018: £14,390).

The annual Laing Retirement Clubs Summer Luncheon is supported by members of the Laing family and the Laing Family Trusts. During the year, they collectively contributed £25,000 (2018: £20,000).

There were no related party transactions other than these and those listed above.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable

10 Listed investments

	2019 £'000	2018 £'000
Fair value at the start of the year	61,979	66,201
Additions at cost	3,055	4,979
Disposal proceeds	(1,633)	(7,849)
Net gain / (loss) on change in fair value	7,534	(3,115)
Cash movement in the year	(1,544)	1,763
	<u>69,391</u>	<u>61,979</u>

Investments comprise:

	2019 £'000	2018 £'000
Global Fixed interest	9,287	9,428
UK equities	36,684	32,905
Overseas and other Equities	15,661	10,466
Unlisted	5,627	5,504
Cash	2,132	3,676
	<u>69,391</u>	<u>61,979</u>

Material Investments

At the end of the year, the Trust's investment in Diversified Portfolio for Charities ("DPFC") was valued at £5.6 million representing 8.1% of the total assets. (2018: £5.5million representing 8.9%).

11 Debtors

	2019 £'000	2018 £'000
Investment debtors	189	255
	<u>189</u>	<u>255</u>

12 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Grants payable (note 13)	981	1,635
Other creditors	28	19
	<u>1,009</u>	<u>1,654</u>

Creditors: amounts falling due after one year

	2019 £'000	2018 £'000
Grants payable (note 13)	537	348
	<u>537</u>	<u>348</u>

13 Grants Payable

	2019 £'000	2018 £'000
Balance at the beginning of the year	1,983	1,068
Grants awarded in the year	1,516	2,402
Grants paid during the year	(1,981)	(1,487)
Balance at the end of the year	<u>1,518</u>	<u>1,983</u>

The grants payable include capital pledge made to Groundwork East of £480,000 of which £168,000 may be called to be released within one year.

14a Analysis of net assets between funds (current year)

	General £'000	Designated £'000	Total funds £'000
Freehold property	24	-	24
Investments	69,391	-	69,391
Net current liabilities	177	-	177
Long term liabilities	(537)	-	(537)
Net assets at 31 December 2019	<u>69,055</u>	<u>-</u>	<u>69,055</u>

14b Analysis of net assets between funds (prior year)

	General £'000	Designated £'000	Total funds £'000
Freehold property	24	-	24
Investments	61,022	957	61,979
Net current assets	(30)	-	(30)
Long term liabilities	(348)	-	(348)
Net assets at 31 December 2018	<u>60,668</u>	<u>957</u>	<u>61,625</u>

15a Movements in funds (current year)

	At 1 January 2019 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2019 £'000
Unrestricted funds:					
Designated funds:					
Global Communities	341	-	(204)	(137)	-
Major projects	616	-	(125)	(491)	-
Total designated funds	<u>957</u>	<u>-</u>	<u>(329)</u>	<u>(628)</u>	<u>-</u>
General funds	60,668	10,276	(2,517)	628	69,055
Total unrestricted funds	<u>61,625</u>	<u>10,276</u>	<u>(2,846)</u>	<u>-</u>	<u>69,055</u>

The narrative to explain the purpose of each fund is given at the foot of the note below.

15b Movements in funds (prior year)

	At 1 January 2018 £'000	Income & gains £'000	Expenditure & losses £'000	At 31 December 2018 £'000
Unrestricted funds:				
Designated funds:				
Global Communities	1,500	-	(1,159)	341
Major projects	616	-	-	616
	<hr/>	<hr/>	<hr/>	<hr/>
Total designated funds	2,116	-	(1,159)	957
	<hr/>	<hr/>	<hr/>	<hr/>
General funds	63,608	2,621	(5,561)	60,668
Total unrestricted funds	65,724	2,621	(6,720)	61,625

Purposes of designated funds

In 2007, the Trustees set aside £2.0 million towards significant projects not identified at the time which will make substantial difference to the charity concerned. In 2018, Trustees designated £1.5 million to mark John Laing plc's 170th anniversary to enable the Company to make a difference in the global communities where they have operations.

At the end of the year, the unutilised designated funds totalling £628,000 were transferred to general funds. It is no longer considered necessary to maintain these designated funds as Trustees have unrestricted use of funds to support all future charitable activities.

17 Post Balance Sheet events

It has been noted that the volatility in the world's stock markets as a result of the COVID-19 pandemic has caused a reduction in investment portfolio of approximately £8,275,000 (12%) as at 31st May 2020. The Trustees regard the portfolio as a long-term investment and have no intention to dispose of the portfolio.

In April 2020, the Trustees agreed a £850,000 donation to the National Emergencies Trust (NET) in response to the COVID-19 appeal. Christopher Laing declared that he is a Patron and founder of the NET.

In addition, the Trustees also agreed a £40,000 donation to St John, Malta. Sir Martin Laing declared that his wife, Lady Laing, is on the council of the charity.