

Charity number: 236852

John Laing Charitable Trust

Report and financial statements

For the year ended 31 December 2022

John Laing Charitable Trust

Contents

For the year ended 31 December 2021

Reference and administrative information	1
Trustees' annual report	2
Independent auditor's report.....	13
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

John Laing Charitable Trust

Reference and administrative information

For the year ended 31 December 2022

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 Christopher M Laing Lynette G Krige Christopher B Waples Alexandra C B J Gregory Stewart C K Laing Timothy G Foster	Chairman
Key management personnel	Helen Parker	Trust Director
Bankers	HSBC Bank plc 101-103 Station Road Edgware Middlesex HA8 7JJ	
Investment Manager	Charles Stanley 55 Bishopsgate London EC2N 3AS	
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL	

The Trustees present their report and the audited financial statements for the year ended 31 December 2022.

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 of John Laing (the "Company") and to make grants for the benefit of the public as shall be exclusively charitable. The Trustees, from time to time, may determine the Trust purpose and aims 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, Trustees reviewed the Strategic Priorities for grant-making to provide greater clarity. The overall strategy and objectives remain unchanged 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 our 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, Young People, Skills & Education and Community. The Trustees will adapt its grant-making to be able to respond to emergencies arising from natural disasters or other crisis.

The Trust also supports the charitable activities of John Laing including its engagement in the communities where the Company operates both in the United Kingdom and overseas. The Trust also supports 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 Limited. The Trust was later combined with the Laing Benevolent 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 by the Trust from these investments is utilised to fund the Trust's welfare payments and its charitable work as a grant-making charity.

Governance

The Board formed an Investment and Finance Committee and Resource Committee in 2019; these committees are now well established. The Board delegated responsibilities to these committees to undertake activity within its terms of reference and to make necessary recommendations to the Board. Following a governance review in 2022, a Nominations and Governance Committee (NGC) was established. Responsibilities delegated to the NGC include reviewing the composition and membership of the Board and Board Committees; as well as advising on Board succession, recruitment and training and development needs.

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 balance 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 and 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 7 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 Grants Manager (a new role appointed during the year) and 8 members of the Welfare Team are directly employed by the Trust.

The Resources Committee reviews the pay of staff is annually in December each year. The review takes into account the rate of inflation. Decisions arising from the review are agreed by the Resources

Committee and conveyed to staff in writing

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:

- Team meetings took place virtually on a monthly basis, allowing staff to support each other, share experiences and best practice as well as inform Trustees about emerging needs from pensioners on the Trust's visiting and welfare payment schemes.
- The Trust Director attended a number of webinars organised by charity partners and other organisations.

Strategic Priorities for grant-making

During the year, Trustees reviewed the Strategic Priorities for grant-making; these will inform major grant making moving forward: –

Homelessness – Safe homes for all		To help end the cycle of homelessness by supporting holistic services for people who are homeless or at risk of homelessness, including long-term accommodation models.
Young People – Building futures		To empower young people facing disadvantage, and support pathways to education, training, <u>employment</u> and skills for life towards independence
Skills & Education – Inspiring learning		To improve access to education and employability skills for people facing greater barriers, particularly in areas of high deprivation.
Community – Supporting people in need		To support people facing financial hardship, isolation, and marginalisation by strengthening community-based services

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. Due to restrictions caused by the coronavirus pandemic, home visits were replaced by telephone visits. During the year, they carried out a total of 2,926 visits (2021 – 3,699), comprising of 454 home visits (2021 – 0) and 2007 telephone visits (2021 – 3,699). A further 465 (2021 – 214) contacts were made with former employees by correspondence and other means. The contacting of pensioners living in remote places or follow-on from home visits are ordinarily carried out by telephone.

The Trust also supports a network of eight John Laing Retirement Clubs across the country with funding. These Clubs are independent from the Trust and 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. During the year one of these Clubs closed due to reducing membership and some members being less able to attend Club events; some members continue to meet informally, with continued support from the Trust and some have joined another John Laing Retirement Club.

- 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 2022, total payments made in relation to Welfare activities amounted to a total of £476,000 (2021 – £474,000) to 176,145 (2021 – 176) 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. During 2022, in the context of the Cost of Living Crisis, additional energy payments were made to 120 pensioner beneficiaries, totalling £89,100.

Charitable Giving: Trustees 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 major grants in support of work streams which will help achieve their strategic aims:-

i. COMMUNITY – Supporting people in need: Grants totaling £221,000 were awarded in the year:-

- Supporting people facing financial hardship, isolation and marginalisation by strengthening community-based services

Independent Age	£50,000	Reconnections project pilots
Turn2Us	£35,000	Greater access to financial help
Downs Syndrome Association	£20,000	WorkFit London
Cruz Roja Colombiana Seccional Santander	£16,000	Social Support Programme
FareShare	£100,000	Develop new regional centre
Sussex Community Foundation	£38,889	Cost of Living Fund
Cumbria Community Foundation	£25,000	Winter Warmth Fund
Community Foundation for Lancashire And Merseyside	£22,400	Lancashire Women's Fund

ii. YOUNG PEOPLE – BUILDING FUTURES: Grants totaling £26,000 were awarded in the year:-

- empowering young people facing disadvantage, and support pathways to education, training, employment and skills for life towards independence

Andrew Simpson Sailing Foundation	£10,000	Aim High programme
Alder Hey Children's Charity	£16,000	Youth Voice

iii. SKILLS & EDUCATION – INSPIRING LEARNING: Grants totaling £185,710.69 were awarded in the year:-

- To improve access to education and employability skills for people facing greater barriers, particularly in areas of high deprivation.

Envision	£30,000	Community Apprentice
Teach First	£25,000	Leading together
Right to Succeed	£25,000	Closing the literacy gap for 11-14 year olds in Blackpool
Place2Be	£25,000	A Place for Parents in Lancashire

Clontarf Foundation	£24,738.44 Engaging male Aboriginal and Torres Strait Islander male students in education and employment in Australia
Stars Foundation	£22,472.25 Holistic mentoring support to Aboriginal and Torres Strait Islander girls and young women
Elevate Orlando	£33,500 Teacher-mentor programme

iv. HOMELESSNESS – Grants totalling £302,500 were awarded in the year:–

- To help end the cycle of homelessness by supporting holistic services for people who are homeless or at risk of homelessness, including long-term accommodation models.

Winner, Preston Road Women's Centre	£140,000 Women in Safe Homes (WISH) Catalytic Grant Fund
Coram Voice	£55,000 Outreach service which helps young people aged 25 or under who are in or on the edge of care and at risk of homelessness
St Francis House	£33,500 Refuge Services
Habitat 4 Humanity	£50,000 Empty Spaces for Homes
The Crew	£24,000 Community support

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 2022	31 December 2021
Income from:		
Investments	2,277	2,295
Other	29	6
Total income	2,301	1,869

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

Funds decreased in the year from £72.5m to £66.8m (2021: funds increased from £64.4m to

£72.5m) because of a £5.7m net movement (2021: -£8.1m) which includes a £5.7m net gain on investments (2021: £7.9m gain on investments). In 2022, the Trustees decided to designate some funds towards a staff hardship fund, at the end of 2022, the balance of this fund was £14k.

The Trustees seek to optimise performance through a diversified asset portfolio applying a medium high-risk strategy. Out of £64.5 million of assets, £58.4 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 investment portfolio decreased in value following the market reaction to the Ukrainian war in 2022 and the cost of living crisis. The portfolio managed by Charles Stanley ended the year with a decrease in value of £5,607,000.

The rest of the assets are monitored directly by the Trustees and relate to investments in Diversified Property Fund for Charities ("DPFC") which had proven reduced resiliency in the year, with its value closing at £6.1 million, reporting a £530,000 loss in the period. Income of £390,000 for the year is attributable to investments in DPFC.

Investment Policy

The Trust retains the services of Charles Stanley who operate within the agreed discretionary investment mandate established and reviewed by the Investment and Finance Committee. Investment in DPFC is made through the trustees' powers contained in the Deeds, to invest as if they were the beneficial owners of the Trust property.

During 2022 the Trust's Investment Policy Statement was reviewed by trustees and no changes were made. The strategy indicates a medium to high level of risk and the following ethical parameters. Any investments made on behalf of the Charity must comply with the following restrictions:

- Overseas investments must not contain investments in Japan, Russia, Syria or countries with embargo.
- Overseas investments must not be more than 40% of the portfolio. There should be no direct investments in companies predominantly involved in the production of alcohol, armaments, gambling or tobacco.
- The trustees require that Environmental, Social and Governance (ESG) factors are taken into account in the choice of investments. The Investment Manager should endeavour to maintain a portfolio ESG score, as defined by MSCI ESG Manager, of at least AA.

The investment policy of the Trustees is to produce the best financial return with an acceptable level of risk, in responsible companies. The portfolio is to be managed and reported on a total

return basis. The investment policy of the Trustees is to achieve 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. Stock market volatility leading to a reduction in the funds available for grants due to a decline in the value of the investment portfolio and reduction in income. This is mitigated by an investment policy indicating a diverse portfolio of investments, managed by a monitored investment manager on a discretionary basis. Performance of investments is reviewed by the Trustees, at least twice a year.
2. Inadequate knowledge and expertise of programme areas leading to Trust programmes not effectively achieving their objectives. This risk is mitigated by Trust team attending briefings. The duties of the Nominations and Governance Committee, formed during the year include an annual review of board composition – including skills, knowledge and experience. This will inform the process of filling any Board vacancies.
3. Cost of living crisis impact on individual beneficiaries and grantees. The Trust has addressed this risk by taking into account inflation impacts when grant making and by additional funding for individual beneficiaries to assist with increasing energy costs. The Trust also monitors its own costs through regular management account reviews.

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.

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.

During the year, the Trustees have continued to consider the impact COVID-19 related factors on the Trust:-

- **Welfare and Operations:** During 2022 and to date, welfare visits are being conducted through a mix of telephone and in person visits. Home visits now take place under a Risk Assessment which requires COVID-19 testing by Trust staff ahead of home visits and in line with pensioner and Trust team personal circumstances and health considerations. Pensioners can opt for an in person visit, or a telephone visit to meet their own personal circumstances.
 - **Grants:** The Trustees recognise the ongoing challenges faced, especially by small charities, in the aftermath of the COVID-19 pandemic, now being exacerbated by the Cost of Living crisis. A flexible and supportive approach will be taken with grantees who may need to adapt their delivery model or timelines due to these factors.
- **Future plans:** A grants strategy review has been completed, led by the Trust Director. This will influence the future Major Grants policy and approach of the Trust. During 2022 the Trust recruited for an additional Grants Manager role to assist in delivery of grant-making.
 - **Investment valuation:** The Trust has seen a 8.2% decrease in the value of its investments from £70.2 million to £64.5 million, adjusted for repatriated cash and investment management fees. Trustees reviewed the investment policy during the year as noted in the Investment Policy update. The Trustees will continue to monitor the investments performance on a quarterly basis.
 - **Going concern:** The Trust have sufficient unrestricted funds to remain operational on a going concern basis with investments valued at £64.5 million at the end of 2022. As at the end of the year, the cash balance stands at £2.2 million.

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

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 re-appointed as the auditor during the year.

The Trustees' annual report has been approved by the Trustees on 9 May 2023 and signed on their behalf by

Christopher B Waples
Trustee

Independent auditor's report

To the member 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 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 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 2022 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

In auditing the financial statements, we have concluded that the trustees' 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 John Laing Charitable Trust'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 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 contained within the annual report. 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

Independent auditor's report

To the members of

John Laing Charitable Trust

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 course of 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.

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 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.

Independent auditor's report

To the member of

John Laing Charitable Trust

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

John Laing Charitable Trust

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.

11 May 2023

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 2022

	Note	2022 Total £'000	2021 Total £'000
Income from:			
Investments	2	2,277	2,295
Other		29	6
Total income		2,306	2,301
Expenditure on:			
Raising funds	3a	(187)	(147)
Charitable activities			
Grants	3b	(1,251)	(1,164)
Welfare and related costs	3b	(906)	(875)
Total expenditure		(2,344)	(2,186)
Net (expenditure) / income before net gains / (losses) on investments	4	(38)	115
Net (losses) / gains on investments		(5,607)	7,977
Net movement in funds		(5,645)	8,092
Reconciliation of funds:			
Total funds brought forward		72,483	64,391
Total funds carried forward		66,838	72,483

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 14a to the financial statements.

All funds are unrestricted.

John Laing Charitable Trust

Balance sheet

As at 31 December 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets:					
Freehold property	9		24		24
Investments	10		64,495		70,225
			<u>64,519</u>		<u>70,249</u>
Current assets:					
Debtors	11	264		245	
Short term deposits		753		-	
Cash in bank and on call		1,517		2,671	
		<u>2,534</u>		<u>2,916</u>	
Creditors: amounts falling due within one year	12	(215)		(666)	
Net current assets			<u>2,319</u>		<u>2,250</u>
Total assets less current liabilities			<u>66,838</u>		<u>72,499</u>
Creditors: amounts falling due after one year			-		(16)
			<u>66,838</u>		<u>72,483</u>
The funds of the charity:					
Unrestricted income funds:	14				
Designated funds		14		-	
General funds		66,824		72,483	
		<u>66,824</u>		<u>72,483</u>	
Total unrestricted funds			<u>66,838</u>		<u>72,483</u>
Total charity funds			<u>66,838</u>		<u>72,483</u>

Approved by the trustees on 9 May 2023 and signed on their behalf by

Christopher B Waples
Trustee

John Laing Charitable Trust

Statement of cash flows

For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(5,645)		8,092	
Losses / (Gains) on investments	5,607		(7,977)	
Dividends and interest from investments	(2,277)		(2,295)	
(Increase) in debtors	(19)		(75)	
(Decrease) in creditors	(467)		(214)	
		(2,801)		(2,469)
Cash flows from investing activities:				
Dividends, interest and rents from investments	2,277		2,295	
Proceeds from sale of investments	4,290		3,436	
Decrease / (Increase) in cash held with investment manager	355		(2,779)	
Transfer of cash into short term deposit	(753)		1,196	
Purchase of investments	(4,522)		(565)	
Net cash provided by investing activities		1,647		3,583
Change in cash and cash equivalents in the year		(1,154)		1,114
Cash and cash equivalents at the beginning of the year		2,671		1,557
Cash and cash equivalents at the end of the year		1,517		2,671

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.

The Trustees are satisfied that the Trust has sufficient unrestricted funds to continue as a going concern for the foreseeable future. Cashflow forecast are regularly prepared and in addition to cash, liquidity within investments portfolio means assets can be readily realised to meet any short term requirements. The pandemic has tested the investments portfolio and had proven resilient. The Trustees acknowledge that the full impact of the pandemic is still to be seen and the emerging risks are being monitored but Trustees are satisfied that Trust's capability to continue as a going concern will not be affected.

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.

1 Accounting policies (continued)

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.

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 payments made to third parties in furtherance of the charitable objectives of the charity. Single or multi-year grants are recognised when, following Board approval, the recipient receives the conditional offer of the grant. This is the case unless it cannot be determined with certainty that the recipient will meet these conditions. If at the balance sheet date it is known that any grant liability will not be fully claimed, the liability is corrected to reflect the true extent of the likely claim.

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, salaries are based on staff time and overheads are based on the split of non support expenditure, 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.

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.

1 Accounting policies (continued)

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.

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.

Notes to the financial statements

For the year ended 31 December 2022

2 Income from investments

	2022	2021
	Total	Total
	£'000	£'000
Listed Investments, including unit trusts		
UK	1,751	1,760
Overseas	136	118
Unlisted		
UK	390	417
	2,277	2,295

3a Raising Funds

Raising funds consists of investment managers fees from Charles Stanley and the DFPC. In prior years, the DPFC management fees have been netted off against income, the decision was taken to show these separately in 2022. The fees specifically for DPFC were 2022 £45,237 (2021 £38,798).

3b Charitable activities – Grant making (current year)

	Grants to institutions	Grants to individuals	Support costs	2022
	£'000	£'000	£'000	£'000
Grants	975	–	276	1,251
Welfare payments to individuals	–	478	296	774
Retirement Clubs	–	56	76	132
At the end of the year	975	534	648	2,157

The total grants paid and accrued to institutions and individuals for the year were 1,555,570 (2021: £1,147,308).

3c Charitable activities–Grant making (prior year)

	Grants to institutions	Grants to individuals	Support costs	2021
	£'000	£'000	£'000	£'000
Grants	948	–	216	1,164
Welfare payments to individuals	–	474	278	752
Retirement Clubs	–	51	72	123
At the end of the year	948	525	566	2,039

The Trust supports 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.

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

This is stated after charging:

	2022	2021
	£'000	£'000
Trustee professional indemnity insurance	1	1
Trustees' expenses	6	1
Auditor's remuneration (excluding VAT):		
Audit	9	8
Risk management workshop	2	–

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

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	348	328
Social security costs	35	31
Employer's contribution to defined contribution pension schemes	64	64
	<u>447</u>	<u>423</u>

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

	2022 No.	2021 No.
£60,000 – £69,999	–	1
£90,000 – £99,999	<u>1</u>	<u>–</u>

The total employee emoluments (including pension contributions and employer's national insurance) of the key management personnel were £119,213 (2021: £142,619).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 12.33 (2021: 12.25).

7 Related party transactions

Christopher Laing is the Chairman of Eskmuir Properties Limited (EPL) and Sir Martin Laing stepped down as a Director of EPL on 18 January 2022. 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). Christopher Laing is excluded from all discussions relating to investments in DPFC units. There were no DPFC transactions during the year (2021: nil).

The charity Trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £864 (2021: £664) incurred by two (2021: two) members 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. Due to the coronavirus pandemic, the event did not take place in 2020 and 2021. The costs associated to Trustees' attendance at these events amounted to £5,544 (2021: £nil). Deposits made to secure the venue costing £nil (2021: £1,850) had been recorded in the accounts under Other Debtors.

7 Related party transactions (continued)

The annual Laing Retirement Clubs Summer Luncheon is supported by members of the Laing family and the Laing Family Trusts. In 2022, there were £20,000 contributions received during the year (2021: £nil).

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

8 Taxation

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

9 Fixed assets

The freehold property of held on the balance sheet consists of a Caldew House – a property that is leased to Gateshead Carers who use it as a holiday home for carers and cared for people. The custodianship was transferred to the Charity Commission in March 2004. This is held at cost in the accounts.

10 Listed investments

	2022 £'000	2021 £'000
Fair value at the start of the year	70,225	62,340
Additions at cost	4,522	565
Disposal proceeds	(4,290)	(3,436)
Net (loss) / gain on change in fair value	(5,607)	7,977
Cash movement in the year	(355)	2,779
	64,495	70,225

Investments comprise:

	2022 £'000	2021 £'000
Global Fixed interest	4,569	6,248
UK equities	32,843	34,426
Overseas and other Equities	17,632	19,716
Property	501	–
Unlisted	6,125	6,655
Cash	2,825	3,180
	64,495	70,225

Material Investments

At the end of the year, the Trust's investment in Diversified Portfolio for Charities ("DPFC") was valued at £6.1 million representing 9.5% of the total assets. (2021: £6.7 million representing 9.5%). The total value of all investments had increased to £66m as at 31/03/23 partly as a result of the market rebounding from the outbreak of the conflict in Ukraine.

11 Debtors

	2022 £'000	2021 £'000
Investment debtors	258	243
Other debtors	–	2
Prepayments	6	–
	264	245

12 Creditors: amounts falling due within one year		2022 £'000	2021 £'000			
Grants payable (note 13)		129	598			
Other creditors		86	68			
		<u>215</u>	<u>666</u>			
Creditors: amounts falling due after one year		2022 £'000	2021 £'000			
Grants payable (note 13)		-	16			
		<u>-</u>	<u>16</u>			
13 Grants Payable		2022 £'000	2021 £'000			
Balance at the beginning of the year		614	779			
Grants awarded in the year		975	948			
Grants paid during the year		(1,460)	(1,113)			
Grants cancelled during the year		-				
Balance at the end of the year		<u>129</u>	<u>614</u>			
14a Movements in funds (current year)		At 1 January 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2022 £'000
Unrestricted funds:						
Designated funds:						
Staff Hardship	-	13	(12)	13	14	
Total designated funds	-	13	(12)	13	14	
General funds	72,483	2,293	(7,939)	(13)	66,824	
Total unrestricted funds	<u>72,483</u>	<u>2,306</u>	<u>(7,951)</u>	<u>-</u>	<u>66,838</u>	
Designated fund – Trustees decided to designate some funds towards a staff hardship fund at the end of 2022.						
14b Movements in funds (prior year)		At 31 December 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2021 £'000
Unrestricted funds:						
General funds	64,391	10,279	(2,187)	-	72,483	
Total unrestricted funds	<u>64,391</u>	<u>10,279</u>	<u>(2,187)</u>	<u>-</u>	<u>72,483</u>	