



The True Colours Trust

ANNUAL REPORT

5 APRIL 2010

Allington House (1st Floor)
150 Victoria Street
London SW1E 5AE



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Legal and Administrative

The True Colours Trust (No. 1089893) was established under a Trust Deed dated 20 August 2001.

Trustees	Ms L A Sainsbury (Settlor) Mr T G Price (appointed on 16 February 2010) Mr D B Flynn Mr B J C Willis
Registered Office	Allington House (1st Floor), 150 Victoria Street London SW1E 5AE
Principal Officers	Mr A Bookbinder Director Mr P Spokes Finance Director Ms V Hornby Executive Ms J Ecclestone Executive Mrs E Ponte Executive
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD
Solicitors	Portrait Solicitors 1 Chancery Lane London WC2A 1LF
Auditors	Crowe Clark Whitehill LLP St Bride's House, 10 Salisbury Square London EC4Y 8EH
Investment Advisers	Schroder & Co. Limited Merrill Lynch Investment Managers 100 Wood Street 33 King William Street London EC2V 7ER London EC4R 9AS
Investment Powers	The Trust Deed empowers the Trustees to appoint investment advisers who have discretion to invest the funds of the Trust within guidelines established by the Trustees.
Objects	The objects of the Trust as given in the Trust Deed are for general charitable purposes.

Organisation

The True Colours Trust has always been passionate about making a difference to the lives of children with special needs and their families. The Trustees believe that all children and their families should be able to live happy, fulfilled lives with opportunities for play, friendship and education without the burdens of poverty, exclusion and discrimination.

The Trustees are currently focusing their grant making in the following three areas:

- Improving the service delivery and support offered to children with complex disabilities and their families and siblings in the UK
- Improving the geographical spread and range of palliative care services available for children and young people in the UK
- Promoting and developing the palliative care sector for adults and children in sub-Saharan Africa

The Trust aims to focus on the major barriers and challenges expressed by families, children and young people with complex disabilities and/or life limiting and life threatening conditions. The Trust works closely with organisations that share our ambitions to provide imaginative, practical and often ground-breaking services in addition to delivering programmes that bring about sustained change whether at the level of policy or practice.

The Trust has so far sought to bring about better lives for children and their families through a broad mix of research, advocacy, service delivery and innovation.

The Trustees are advised by Joan Marston and Maggie Baxter on their work in Africa and by Christine Lenehan on their work in the UK.

Children and Young People with Complex Disabilities in the UK

The Trustees care about making life better for children and young people with profound disabilities and their families. In 2004, Trustees commissioned research into the needs of children with profound and complex disabilities and their families in the UK. The results of the research were stark: 55% of families with a disabled child live on the poverty line, primarily because of the costs of raising a disabled child. The research also highlighted the emotional strain that the majority of families live with and the desperate need for respite care and appropriate child care provision. It was also apparent that there were very few accessible activities or services for these children.

On the basis of this research the Trustees decided to concentrate their grant-making in three main areas:

- Support for organisations leading the way in developing services and opportunities for children and their families
- Raising the profile of the siblings of disabled children and supporting services to meet their needs
- Raising the profile of disabled children and their families with central and local government



The Trustees have been delighted by the achievement of the Every Disabled Child Matters Campaign which has been very successful in raising the profile of disabled children and securing additional Government funding. They continue to support the work of the campaign in the challenge of ensuring that national policy becomes local practice.

Other major achievements include the increasing recognition of the needs of siblings, the successful piloting of specialised, targeted financial and benefits advice and the growing importance being placed on the need for fun and friendship in the lives of disabled children.

Over the coming three years the Trustees will focus much of their attention in this area on finding solutions to the negative impact of Health and Safety Legislation and on researching and piloting solutions to the very high debt levels amongst families with children with complex needs and the impact on already stressful lives.

Palliative Care for Children and Young People in the UK

The Trustees believe that everyone with a life-limiting or life threatening illness has the right to affordable palliative care.

The Trustees subscribe to the WHO definition of palliative care. Palliative care improves the quality of life of patients and their families facing the problems associated with life-limiting illnesses. It treats the patient's pain and symptoms and it is applicable early in the course of an illness, in conjunction with curative treatments, and at the end of life. Crucially palliative care also supports the patient's family through the illness and their bereavement.

The understanding and provision of palliative care for children and young people in the UK is inconsistent. Although there are some excellent service providers, too few families receive the help they need during a very difficult time in their lives. Families need support to enable their children to live their lives to the full with the minimum of pain and discomfort, and to die with the highest degree of dignity. There should be a range of services available to allow children and families to choose how and where they receive support. There should also be specific support available to help parents and siblings through a very emotional and challenging time in their lives.

Over the past four years the Trustees have supported the development of the children's palliative care sector through a mixture of grants, which have been used for a variety of different purposes, from influencing national policy to demonstrating best practice at local, regional and national levels. The first national strategy for England and Wales, *Better Care, Better Lives* was published by the Department of Health in March 2008, the culmination of much of this work.

The challenge now is to make the strategy and statements of best practice a reality for all families regardless of their geographical location, on a day to day basis. After significant consultation with those working in the palliative care sector the Trustees will focus on the following areas for the next three years.

- Creation of the UK's first Professorial Chair in Palliative Care for Children and Young People to lead the development of best practice across the country
- Creation of a pilot regional, 24 hour support service for children with palliative care needs, bringing together the full range of specialists and agencies. We expect this to



incorporate a complete set of clinical and social services and be replicable for any region of the UK

Alongside these two key pieces of work, the Trustees will continue to focus on building the infrastructure of the palliative care sector, influencing policy at a national and local level, and supporting a small number of organisations which demonstrate excellence and innovation at a local level.

Palliative Care in sub-Saharan Africa

The need for palliative care is particularly acute in sub-Saharan Africa where it is estimated that there are 22 million people living with HIV and that the number of people with cancer will increase by 400% in the next fifty years. The widespread introduction of anti-retroviral drugs has not decreased the need for palliative care; patients are living longer but are still suffering from symptoms of HIV and side effects of the medication.

The Trustees are committed to improving access to affordable palliative care for adults and children in sub-Saharan Africa. The Trust's strategic programme is focussed on increasing access to opioids in Zambia. In June 2009 the Trustees also launched a small grants programme which is administered by the African Palliative Care Association. This programme provides grants of between £1,000 - £5,000, to organisations offering palliative care services across Africa.

Local Causes for Disadvantaged Children

The Trustees are committed to supporting a number of excellent local organisations and projects that support disabled children and their families on a daily basis. The Trust has a small grants programme, open to applications at any time, which provides grants of up to £10,000, usually for one-off purposes, to help smaller organisations develop and deliver programmes for children, their siblings and families.

The Trustees are particularly keen to support:

- Hydrotherapy pools
- Multi sensory rooms
- Mini buses
- Young carers projects
- Sibling projects
- Bereavement services

Applications

The Trustees welcome unsolicited applications from charities providing excellent local services for disabled children, children with life-limiting conditions, their siblings and their families. Grants in this category are usually small one-off contributions and are generally not multi-year grants for ongoing revenue costs. The Trustees are particularly keen to support hydrotherapy pools with public access, multi-sensory rooms and other capital improvements or equipment costs which make a significant difference to those using the services.

Proposals for the Trust's strategic programmes are generally invited by the Trustees or initiated at their request. The Trustees are keen to learn more about organisations whose



work fits into the categories above but unsolicited applications are not encouraged and are unlikely to be successful.

Grants are not made to individuals.

Reserves Policy

In the year under review, there was a deficit of income over expenditure on the unrestricted funds, of £1,429,336. This has been funded by a transfer from expendable endowment. At this stage in the Trust's development, and whenever this may be necessary in the future, the Trustees are ready to fund grant commitments from expendable endowment.

Although some grants have been accrued, others totalling £1,315,700 have not been provided for in the Statement of Financial Activities as they are due to be paid more than twelve months after the year end. They represent funds earmarked for continued support to certain existing beneficiaries, although formal commitments have not yet been made.

The Trustees regularly review cash flow projections for income and expenditure, to ensure that the level of disposable net assets is adequate and that the Trust is in a position to meet all its commitments.

Investment Policy

The Trust holds significant money market deposits to enable the Trust to draw on capital rapidly when required and the remaining funds are held in a spectrum of UK and overseas investments to generate unrestricted income in accordance with the Trustees guidelines.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, systems are in place adequate to manage such potential risks as the Trustees have identified. They continue to keep processes under review.

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to it. They consider the full information which follows in this annual report, about the Trust's aims, activities and achievements in the areas of interest that the Trust supports demonstrates the benefit to its beneficiaries and through them to the Public, that arise from those activities.



Financial Overview of the Past Year

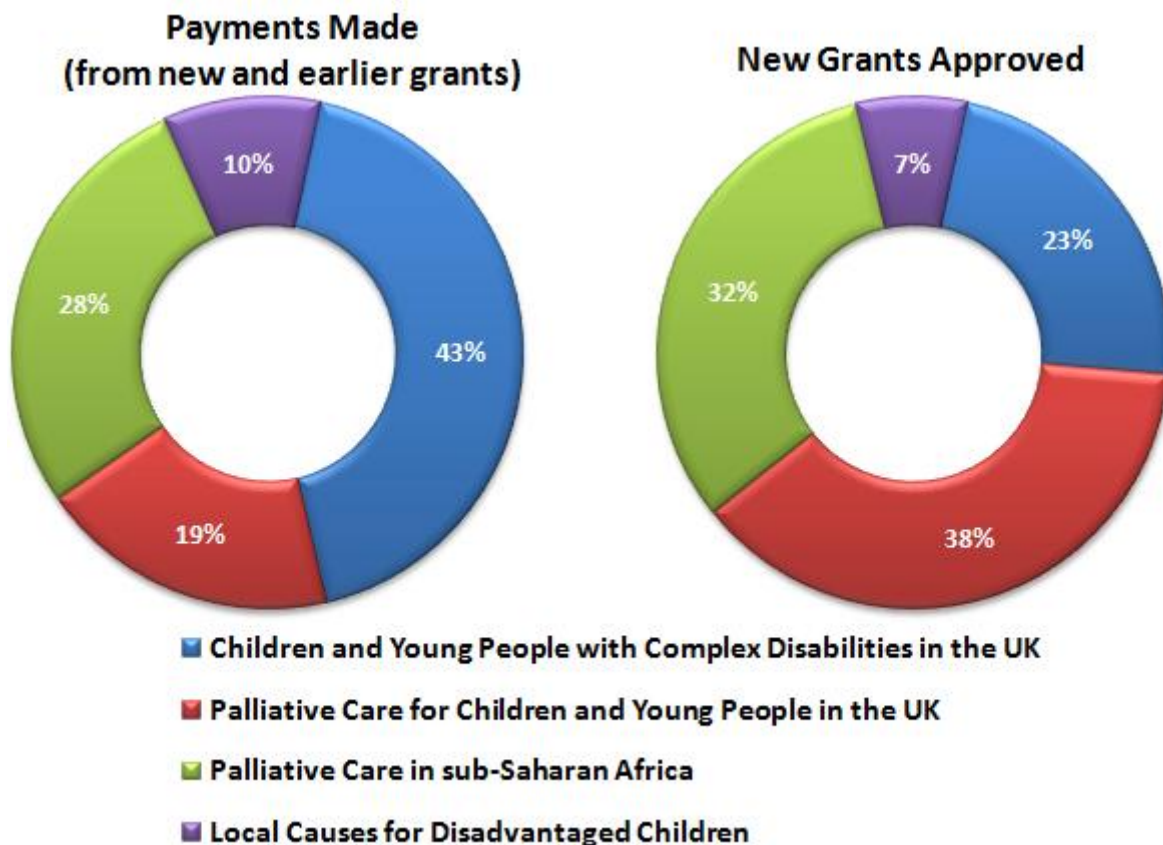
The Trustees met four times during the year to make grants and twice to review investments.

The Settlor made a generous donation of £1.9 million in the year which has been added to Expendable Endowment. The asset value of the Trust increased from £6.8 million at 5 April 2009 to £8.5 million at 5 April 2010, which is attributable to improved stock market conditions and the gift from the Settlor.

Total incoming resources allocated to unrestricted funds for the year were £142,724 (2008/09 - £332,747).

The Trustees continue to approve grants worth significantly more than the income for the corresponding period, in accordance with the approach set out above in their Reserves Policy. During the year Trustees approved 107 grants totalling £2 million some of which are payable over more than one year. Payments made during the year totalled £1.7 million. Grants approved and paid during the year may be analysed by value and percentage across the Trust's grant-making categories as set out below:

Payments Made			Grants Approved		
%	£		£	%	Number
43%	714,510	Children and Young People with Complex Disabilities in the UK	468,000	23%	5
19%	320,332	Palliative Care for Children and Young People in the UK	776,400	38%	3
28%	460,079	Palliative Care in sub-Saharan Africa	670,784	32%	26
10%	167,958	Local Causes for Disadvantaged Children	150,261	7%	73
0%	532	General	0	0%	0
100%	1,663,411		2,065,445	100%	107



GRANTS APPROVED

Children and Young People with Complex Disabilities in the UK - £468,000

Family Fund - £5,000

Towards research on credit for families with disabled children.

Heart 'n Soul - £150,000

Towards its work with young people (over 3 years).

Oily Cart - £100,000

Towards touring 'Something in the Air' in 2010-12.

Sibs - £138,000

Towards core costs (over 3 years).

Social Finance - £75,000

Towards phase two of the Disabled Children's Credit Facility.

Palliative Care for Children and Young People in the UK - £776,400

Dance Art Foundation - £20,000

Towards core costs.

East Anglia's Children's Hospices (EACH) - £6,400

Towards commissioning a literature review to support the development of the 24 hour support service for children with palliative care needs.

Great Ormond Street Hospital Children's Charity - £750,000

Towards the True Colours Chair in Palliative Care for Children and Young People (over 3 years).

Palliative Care in Sub-Saharan Africa - £670,784

African Palliative Care Association (APCA) - £330,000

- £260,000 - Towards the True Colours Trust African small grants programme for the period 2008-2013, which APCA administers.
- £50,000 - Towards the purchase of its current building.
- £20,000 - Towards APCA's biennial conference in September 2010.

Cardiff University School of Medicine - £15,323

- £15,323 - Towards a short course in paediatric palliative care for 6 African practitioners.

Hospice Ethiopia - £20,000

Towards the organisation's core costs.

Hospice Palliative Care Association (HPCA) - £1,000

Towards travel costs for the key note speaker at the 5th International Cardiff Conference on Paediatric Palliative Care.

Island Hospice - £10,000

Towards a nurse's salary over two years.

Kenya Hospices and Palliative Care Association (KEHPCA) - £5,000

Towards a funding shortfall in 2009.

Morphine Pilot in Zambia - £31,728

Towards the cost of facilitating the recruiting, interviewing, training and mentoring of staff.

Palliative Care Association of Uganda (PCAU) - £5,000

Towards core costs in 2009.

Palliative Care Association of Zambia (PCAZ) - £230,983

Towards the pilot of morphine in Zambia's hospices (over 2 years).

World Health Organization (WHO) - £4,000

Towards the shortfall in funding for the revision and publication of the WHO's new guidelines on chronic pain in children.

Wrap Up Africa - £15,000

Towards its core costs in 2009/10.

A number of other small grants were made in this category totalling £2,750.

Local Causes for Disadvantaged Children - £150,261

Bag Books - £10,000

Towards its work.

Birtenshaw Hall Children's Charitable Trust - £8,000

Towards the costs of a sensory garden.

Brainwave: Centre for Rehabilitation & Development - £3,270

Towards equipment for the sensory suite.

Break All About Caring - £5,000

Towards its holiday programme.

Calvert Trust Lake District - £10,000

Towards sensory equipment for the new hydrotherapy pool.



Charing Cross Youth Club - £5,000

Towards the costs of a mini bus.

Children's Adventure Farm Trust - £5,000

Towards its holiday programme.

Community Link-Up - £5,000

Towards core costs.

Demelza House Children's Hospice - £5,000

Towards its bereavement service.

Disability Challengers - £5,000

Towards its bursary scheme.

Elizabeth Foundation - £5,000

Towards the refurbishment of its outdoor play area.

Guy's Gift - £10,000

Towards core costs.

Hartlepool Carers - £5,000

Towards its 'Young Carers' project.

Hope House - £10,441

Towards refurbishment works.

Kent Kids - £4,000

Towards refurbishment works.

London Youth - £5,000

Towards its 'Activenture' project.

Mosaic - £5,000

Towards core costs.

National Centre for Young People with Epilepsy (NCYPE) - £5,000

Towards the costs of a mini bus.

Nelson's Journey (NJ) - £5,000

Towards its bereavement service.

Rapid Effective Assistance for Children with Potentially Terminal Illness (REACT) - £5,000

Towards core costs.

Southview School - £5,000

Towards the capital costs of its hydrotherapy pool.

The Yard - £5,000

Towards the 'Arts at the Yard' programme.

Thomas Morley Trust - £5,000
Towards core costs.

VSA Carers Centre - £5,000
Towards its holiday programme.

In addition, small grants were made to other organisations totalling £9,550 in this category.

Cancelled Grants

Grants to the value of £13,450 were cancelled during the financial year as they were no longer required for the purposes for which they were made.

Approved by the Trustees on 14 December 2010 and signed on their behalf by:

..... TRUSTEE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2010

	Notes	Unrestricted Funds	Expendable Endowment	Total Funds 2010	Total Funds 2009
		£	£	£	£
Incoming resources					
Donations and gifts		-	1,871,795	1,871,795	1,946,154
Investment income	2	118,834	-	118,834	146,166
Bank deposit interest		627	-	627	44,732
Interest on short term deposits		23,263	-	23,263	141,849
Total incoming resources		142,724	1,871,795	2,014,519	2,278,901
Resources expended					
Cost of generating funds:					
Investment management costs		-	(6,894)	(6,894)	(5,362)
Charitable activity					
Grant-making:					
Grant expenditure	3	1,354,757	-	1,354,757	1,777,481
Grant related support costs	4	212,830	-	212,830	175,939
Cost of Grant-making		1,567,587	-	1,567,587	1,953,420
Governance costs	4	4,473	-	4,473	4,798
Total resources expended		1,572,060	(6,894)	1,565,166	1,952,856
Net (resources expended)/incoming resources before transfers		(1,429,336)	1,878,689	449,353	326,045
Transfers					
Transfers between funds		1,430,192	(1,430,192)	-	-
Net resources after transfers		856	448,497	449,353	326,045
Other Recognised Gains and Losses					
Gains and (losses) on investment assets					
Realised			116,655	116,655	(521,505)
Unrealised	7,10	-	1,076,434	1,076,434	(1,260,093)
Effect of foreign exchange rate changes		(856)	4,257	3,401	2,885
Net movement in funds		-	1,645,843	1,645,843	(1,452,668)
Reconciliation of funds					
Total funds brought forward		-	6,813,568	6,813,568	8,266,236
Total funds carried forward		-	8,459,411	8,459,411	6,813,568

The notes on pages 15 to 19 form part of these accounts

There are no gains and losses in either the current or preceding year other than those recognised in the statement of financial activities.



BALANCE SHEET

	<i>Notes</i>	2010	2009
		£	£
FIXED ASSETS			
Tangible fixed assets	6	2,000	3,000
Investments	7	9,354,590	7,779,753
		<u>9,356,590</u>	<u>7,782,753</u>
CURRENT ASSETS			
Debtors	8	35,040	847,213
Cash at bank and in hand		429,250	-
		<u>464,290</u>	<u>847,213</u>
CURRENT LIABILITIES			
Bank overdraft		-	64,371
Creditors - amounts falling due within 1 year	9	1,361,469	1,752,027
		<u>1,361,469</u>	<u>1,816,398</u>
NET CURRENT LIABILITIES		(897,179)	(969,185)
NET ASSETS		<u>8,459,411</u>	<u>6,813,568</u>
CAPITAL FUNDS			
Expendable endowment	10	8,459,411	6,813,568
INCOME FUNDS			
Unrestricted funds	10	-	-
		<u>8,459,411</u>	<u>6,813,568</u>

The financial statements were approved and authorised for issue by the Trustees on 14 December 2010 and were signed on their behalf by :

..... TRUSTEE

The notes on pages 15 to 19 form part of these accounts

CASH FLOW STATEMENT

RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Net incoming resources	449,353	326,045
Depreciation charge	1,000	1,000
Decrease/(increase) in debtors	812,173	(711,848)
Decrease in creditors	(390,558)	(112,360)
Net cash inflow/(outflow) from operating activities	<u>871,968</u>	<u>(497,163)</u>

CASH FLOW STATEMENT

	2010	2009
	£	£
Net cash inflow/(outflow) from operating activities	871,968	(497,163)
Capital expenditure and financial investment:		
Purchase of investments	(2,033,340)	(3,498,173)
Sale of investments	1,651,592	1,639,581
Effect of foreign exchange rate changes	3,401	2,885
	<u>(378,347)</u>	<u>(1,855,707)</u>
Increase/(decrease) in cash	<u>493,621</u>	<u>(2,352,870)</u>

Analysis of increase in cash during the year

	2010	2009	Change in year
	£	£	£
Cash at bank and in hand	429,250	(64,371)	493,621
	<u>429,250</u>	<u>(64,371)</u>	<u>493,621</u>

The notes on pages 15 to 19 form part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities", applicable accounting standards and the Charities Act 1993, and comply with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities Act 1993.

The principal accounting policies adopted are as follows:

a) Income

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

b) Grants payable

Grants for which there is a legal obligation, or a valid expectation of receipt by the beneficiary at the year end, and for which conditions attaching to their payment have been fulfilled, are accounted for within the Statement of Financial Activities.

Grants approved subject to conditions that have not been met at the year end are noted as a commitment but not accrued as expenditure (see note 3).

c) Investments

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.

Investments are shown at mid market value.

Partial disposals are accounted for using average book value.

d) Support costs

Most of these costs support the grant-making activity of the Trust and are so allocated. They comprise in the main a share of the staff and office costs of the joint office of the Sainsbury Family Charitable Trusts, which are allocated in proportion to time spent on Trust matters and grants paid.

e) Charitable activities

The Trustees consider that grant-making is the Trust's sole charitable activity.

f) Governance costs

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

g) Depreciation

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

The following rate has been used:

Leasehold improvements - 10% per annum straight line.

2. INVESTMENT INCOME

Income received on investments may be analysed as follows:

	2010		2009	
	£	%	£	%
UK equities	95,683	81	116,424	80
Overseas equities	23,151	19	29,742	20
	<u>118,834</u>	<u>100</u>	<u>146,166</u>	<u>100</u>



NOTES TO THE ACCOUNTS

3. GRANTS PAYABLE

	2010		2009	
	£	£	£	£
Reconciliation of grants payable:				
Commitments at 6 April 2009		1,656,904		1,753,517
Grants not accrued at 6 April 2009	618,462		680,898	
Grants approved in the year	2,065,445		1,716,030	
Grants cancelled or refunded	(13,450)		(985)	
Grants not accrued at 5 April 2010	(1,315,700)		(618,462)	
Grants payable for the year		1,354,757		1,777,481
Grants paid during the year		(1,663,411)		(1,874,094)
Commitments at 5 April 2010		<u>1,348,250</u>		<u>1,656,904</u>

Commitments at 5 April 2010 are payable as follows:

	2010		2009	
	£	£	£	£
Within one year (note 9)		<u>1,348,250</u>		<u>1,656,904</u>

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 5 April 2010 was £1,315,700 (2009: £618,462).

The grants payable in the year include the following:

<u>Children and Young People with Complex Disabilities in the UK</u>	£
Council for Disabled Children	108,000
Social Finance	75,000
Grants up to £50,000 were also made	35,000

Palliative Care for Children and Young People in the UK

Chair in Children's Palliative Care	250,000
Grants up to £50,000 were also made	34,400

Palliative Care in sub-Saharan Africa

Palliative Care Association of Zambia (PCAZ)	215,062
African Palliative Care Association	181,000
Grants up to £50,000 were also made	74,417

Local Causes for Disadvantaged Children

Bag Books	10,000
Guy's Gift	10,000
Calvert Trust Lake District	10,000
Hope House	10,441
Grants up to £10,000 were also made	107,370

General

Oily Cart	100,000
Grants up to £50,000 were also made	131,300
The Sainsbury Archive	2,767

Total grants payable per Statement of Financial Activities	<u>1,354,757</u>
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NOTES TO THE ACCOUNTS

4. ALLOCATION OF SUPPORT COSTS

	2010		2009		
	Grant-Making	Governance	Total Allocated	Grant-Making	Governance
	£	£	£	£	£
Staff costs	116,747	1,653	118,400	96,543	2,095
Share of joint office costs	39,700	-	39,700	34,038	-
Direct costs including travel	27,520	-	27,520	29,051	-
Legal and professional fees	17,343	-	17,343	14,447	-
Consultancy	10,520	-	10,520	860	-
Depreciation	1,000	-	1,000	1,000	-
Auditors' remuneration	-	2,820	2,820	-	2,703
	212,830	4,473	217,303	175,939	4,798

Included above is £17,343 paid for legal services to Portrait Solicitors, a firm in which Mr D B Flynn is a partner. No Trustee received remuneration or was reimbursed expenses during the year.

5. ANALYSIS OF STAFF COSTS

	2010	2009
	£	£
Wages and salaries	95,704	80,295
Social security costs	10,915	9,302
Other pension costs	11,781	9,041
	118,400	98,638

As mentioned in Note 1(d), the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 4.9% of the total support and administration costs of these trusts have been allocated to the True Colours Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2009/10. Staff costs equivalent to 2.1 full time employees were charged to the True Colours Trust in 2009/10 (2008/09 - 1.8).

6. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2010	2009
	£	£
Cost		
At 6 April 2009	10,000	10,000
At 5 April 2010	10,000	10,000
Depreciation		
At 6 April 2009	7,000	6,000
Charge for the year	1,000	1,000
At 5 April 2010	8,000	7,000
NET BOOK VALUE		
At 5 April 2010	2,000	3,000
NET BOOK VALUE		
At 5 April 2009	3,000	4,000

NOTES TO THE ACCOUNTS

7. FIXED ASSET INVESTMENTS

	2010	2009
	£	£
Market value 6 April 2009	7,779,753	7,702,759
Less: Disposals at book value	(1,534,937)	(2,161,086)
Add: Acquisitions at cost	2,033,340	3,498,173
Net gains/(losses) on revaluation	1,076,434	(1,260,093)
Market value 5 April 2010	9,354,590	7,779,753
Historical cost 5 April 2010	9,066,608	8,823,288

The investments held as at 5 April 2010 were as follows:

	2010		2009	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Direct investment in listed UK and overseas securities				
UK equities	3,161,155	3,230,118	3,040,684	2,206,089
Overseas equities	1,043,453	1,262,472	1,396,264	1,187,324
Short term deposits	4,862,000	4,862,000	4,386,340	4,386,340
	9,066,608	9,354,590	8,823,288	7,779,753

8. DEBTORS

	2010	2009
	£	£
Income tax recoverable	1,570	846,154
Other debtors	30,230	-
Investment management fee	3,240	1,059
	35,040	847,213

9. CREDITORS

	2010	2009
	£	£
Grants payable within one year	1,348,250	1,656,904
Professional charges	13,219	17,150
Other creditors	-	77,973
	1,361,469	1,752,027



NOTES TO THE ACCOUNTS

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Expendable Funds Endowment		Totals 2010
	£	£	£
Fund balances at 5 April 2010 are represented by:			
Tangible fixed assets	-	2,000	2,000
Investments	-	9,354,590	9,354,590
Current assets	1,361,469	(897,179)	464,290
Current liabilities	(1,361,469)	-	(1,361,469)
Total net assets	-	8,459,411	8,459,411

	Unrestricted Expendable Funds Endowment		Totals 2010
	£	£	£
Unrealised gains			
On investment assets (see note below)	-	287,982	287,982
Total unrealised gains at 5 April 2010	-	287,982	287,982

Reconciliation of movements in unrealised gains on investment assets

Unrealised losses at 6 April 2009	-	(1,043,535)	(1,043,535)
Add in respect of disposals in year	-	255,083	255,083
	-	(788,452)	(788,452)
Add: net gains arising on revaluation in year	-	1,076,434	1,076,434
Unrealised gains at 5 April 2010, as above	-	287,982	287,982

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

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

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that 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 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE TRUE COLOURS TRUST

We have audited the financial statements of The True Colours Trust for the year ended 5 April 2010 set out on pages 12 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report if, in our opinion, the information given in the Trustees' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 5 April 2010 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

Crowe Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Date

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