



# The True Colours Trust

ANNUAL REPORT

5 APRIL 2011

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



## CONTENTS

	PAGE
1 The Trustees' Report	2-11
2 Statement of Financial Activities	12
3 Balance Sheet	13
4 Cash Flow Statement	14
5 Notes to the Accounts	15-19
6 Statement of Trustees' Responsibilities	20
7 Independent Auditors' Report	21



## Legal and Administrative

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

<b>Trustees</b>	Ms L A Sainsbury (Settlor) Mr T G Price Mr D B Flynn Mr B J C Willis
<b>Registered Office</b>	Allington House (1st Floor) 150 Victoria Street London SW1E 5AE
<b>Principal Officers</b>	Mr A Bookbinder                      Director Mr P Spokes                            Finance Director Ms V Hornby                            Executive Ms J Ecclestone Ford                Executive Mrs E Ponte                             Executive
<b>Bankers</b>	Child & Co 1 Fleet Street London EC4Y 1BD
<b>Solicitors</b>	Portrait Solicitors 1 Chancery Lane London WC2A 1LF
<b>Auditors</b>	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
<b>Investment Advisers</b>	Schroder & Co Limited 100 Wood Street London EC2V 7ER
<b>Investment Powers</b>	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.
<b>Objects</b>	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 and supporting people with life limiting and/or life threatening illnesses. 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 grant making continues to focus 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
- Strengthening palliative care services for children in the UK through research, innovation and infrastructure
- Promoting and developing palliative care for adults and children in sub-Saharan Africa

The Trust's work focuses on the major barriers and challenges experienced 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 its 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 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.

The Trust's grant-making in this category was initially informed by research it commissioned in 2004, 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 were delighted by the achievements 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 commitments to disabled children and their families are honoured.

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.

Currently the Trustees are working 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 all children and young people with a life limiting or life threatening illness have the right to quality 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 are 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 five 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 challenge is still to make best practice a reality for all families regardless of their geographical location, on a day to day basis. The Trustees have focused on the following areas:

- Establishing the UK's first Professorial Chair in Palliative Care for Children and Young People to lead the development of best practice across the country
- Piloting a regional, 24 hour support service for children with palliative care needs, bringing together the full range of specialists and agencies. The Trustees 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 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 lack of availability of opioids for the treatment of moderate to severe pain, as recommended by the WHO, means that people with life limiting illnesses suffer unnecessarily. In addition, 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, prioritising the need for appropriate pain relief. The Trust continues its work to:

- Increase awareness of palliative care and influence policy at a regional and international level through strategic grants to the African Palliative Care Association and the International Children's Palliative Care Network
- Improve access to opioids in Zambia
- Support palliative care services across the continent through a small grants programme, administered by the African Palliative Care Association

This year the Trust has also formed a coalition with five other organisations which are all active in palliative care in Africa. The coalition members have committed to co-ordinate their programmes, provide technical support and funding in order to:

- Significantly improve access to palliative care and pain relief in Malawi and Kenya by December 2012

### **Small Grants UK**

The Trust has a small grants programme, open to applications at any time, which provides grants of up to £10,000, to help local organisations develop and deliver programmes for children with disabilities and/or life limiting or life threatening conditions, their siblings and families. Grants in this category are usually one-off contributions rather than multi-year grants for ongoing revenue costs.

The Trustees are particularly keen to support:

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

- Capital improvements or equipment costs which make a significant difference to those using the services

### **Applications**

The Trustees welcome unsolicited applications for their small grants programmes, both in the UK and in Africa. Trustees are keen to make these programmes available to as many organisations as possible; it is therefore unlikely that they will fund any organisation in consecutive years.

Proposals for the Trust's other 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 £1,275,465. 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 £610,939 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 £3.1 million in the year, which has been added to Expendable Endowment. The asset value of the Trust increased from £8.5 million at 5 April 2010 to £10.4 million at 5 April 2011, which is mainly attributable to the gift from the Settlor.

Total incoming resources allocated to unrestricted funds for the year were £167,252 (2009/10 - £142,724).

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 87 grants totalling £614,606 some of which are payable over more than one year. Payments made during the year totalled £1,463,378. 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
18%	268,850	Children and Young People with Complex Disabilities in the UK	43,607	7%	3
38%	558,795	Palliative Care for Children and Young People in the UK	81,320	13%	4
32%	466,436	Palliative Care in sub-Saharan Africa	353,649	58%	14
11%	164,030	Small Grants UK	132,030	21%	65
1%	5,267	General	4,000	1%	1
<b>100%</b>	<b>1,463,378</b>		<b>614,606</b>	<b>100%</b>	<b>87</b>

## GRANTS APPROVED

### Children and Young People with Complex Disabilities in the UK - £43,607

Council for Disabled Children - £11,057

Towards the second phase of work on Health and Safety.

Independent Panel for Special Education Advice (IPSEA) - £25,000

Towards its core costs in 2010/11.

Sibs - £7,550

To support a pilot project to recruit adult siblings as volunteers to run sibling groups.

### Palliative Care for Children and Young People in the UK - £81,320

Association for Children's Palliative Care (ACT) - £10,000

Towards consultancy on the benefits of joint working with Children's Hospices UK.

Childhood Bereavement Network (CBN) - £9,000

A one-off grant towards consultancy to develop a strategic plan for CBN's work with the sector.

Dance Art Foundation - £40,000

Towards the core costs of the Breathing Space programme over two years.

East Anglia's Children's Hospices (EACH) - £22,320

Towards additional costs of the 24/7 pilot in 2010/11.

### Palliative Care in sub-Saharan Africa - £353,649

African Palliative Care Association (APCA) - £95,000

- £40,000 - Towards core costs.
- £55,000 - Towards the True Colours small grants programme in Africa administered by APCA.

International Children's Palliative Care Network - £135,000

Towards core costs over three years.

Cardiff University School of Medicine - £13,000

A one-off grant to enable 6 students to attend the International Cardiff Conference on Paediatric Palliative Care in 2012 followed by an accredited short course in paediatric palliative care at Cardiff University led by Dr Richard Hain.

Global Access to Pain Relief Initiative (GAPRI) - £50,000

Towards core costs.

Palliative Care Association of Zambia (PCAZ) - £53,554

To distribute oral morphine in Zambia hospices.

In addition, a number of small grants were made to organisations totalling £7,095 in this category.

**Small Grants UK - £132,030**

Acorns Children's Hospice Trust - £5,000

Towards its hydro-therapy pool services.

Battersea Crime Prevention Panel - £5,000

Towards the Battersea Summer Scheme project.

Care for the Carers Council - £1,000

Towards its school support project.

Daisy Chain - £5,000

Towards equipment for the sensory room.

Deafinitely Theatre - £5,000

Towards the roll out of 'The Boy and the Statue'.

DebRA UK - £5,000

Towards its holiday programme.

Discover - £10,000

Towards its 'Might Mega Sounds' project.

Happy Days Children's Charity - £5,000

Towards its holiday programme.

Haven House Children's Hospice - £9,900

Towards refurbishment work.

Jigsaw4U - £6,180

Towards its grief support groups.

Pamis - £10,000

Towards its bereavement and loss project.

SeeSaw - £10,000

Towards its 'Side by Side' project.

SignPost Carers - £5,000

Towards its school support project.

Smile Support and Care - £5,000

Towards equipment for the sensory room.

The David Lewis Centre - £5,000

Towards sensory equipment for the hydro-therapy pool.

The Hamlet Centre Trust - £5,000

Towards equipment for its young person's project.

The Laura Centre - £5,000

Towards core costs.

The Pirate Club - £5,000

Towards construction of a fully accessible canal boat.

Unite - Carers in Mid Devon - £5,000

Towards its young carers project.

White Lodge Centre - £5,000

Towards its hydro-therapy pool services.

Winston's Wish - £5,000

Towards its grief support programme.

In addition, small grants were made to other organisations totalling £9,950 in this category.

**General - £4,000**

The Sainsbury Archive - £4,000

Towards core costs and project costs.

**Cancelled Grants**

Grants to the value of £82,700 were cancelled during the financial year as they were no longer required for the purposes for which they were awarded.

Approved by the Trustees on 14 July 2011 and signed on their behalf by:

..... TRUSTEE

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 5 APRIL 2011**

	Notes	Unrestricted Funds £	Expendable Endowment £	Total Funds 2011 £	Total Funds 2010 £
<b>Incoming resources</b>					
Donations and gifts		-	3,134,615	3,134,615	1,871,795
Investment income	2	117,726	-	117,726	118,834
Bank deposit interest		1,757	-	1,757	627
Interest on short term deposits		47,769	-	47,769	23,263
<b>Total incoming resources</b>		<b>167,252</b>	<b>3,134,615</b>	<b>3,301,867</b>	<b>2,014,519</b>
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
Investment management costs		-	6,262	6,262	(6,894)
<b>Charitable activity</b>					
Grant-making:					
Grant expenditure	3	1,236,667	-	1,236,667	1,354,757
Grant related support costs	4	201,232	-	201,232	212,830
Cost of Grant-making		1,437,899	-	1,437,899	1,567,587
Governance costs	4	4,818	-	4,818	4,473
<b>Total resources expended</b>		<b>1,442,717</b>	<b>6,262</b>	<b>1,448,979</b>	<b>1,565,166</b>
Net (resources expended)/incoming resources before transfers		(1,275,465)	3,128,353	1,852,888	449,353
<b>Transfers</b>					
Transfers between funds		1,275,538	(1,275,538)	-	-
Net resources after transfers		73	1,852,815	1,852,888	449,353
<b>Other Recognised Gains and Losses</b>					
Gains and (losses) on investment assets					
Realised			(35,552)	(35,552)	116,655
Unrealised	7,10	-	112,176	112,176	1,076,434
Effect of foreign exchange rate changes		(73)	5,737	5,664	3,401
Net movement in funds		-	1,935,176	1,935,176	1,645,843
<b>Reconciliation of funds</b>					
Total funds brought forward		-	8,459,411	8,459,411	6,813,568
Total funds carried forward		-	10,394,587	10,394,587	8,459,411

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 AS AT 5 APRIL 2011

	<i>Notes</i>	2011	2010
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	<b>6</b>	1,000	2,000
Investments	<b>7</b>	10,799,171	9,354,590
		<u>10,800,171</u>	<u>9,356,590</u>
<b>CURRENT ASSETS</b>			
Debtors	<b>8</b>	29,445	35,040
Cash at bank and in hand		699,707	429,250
		<u>729,152</u>	<u>464,290</u>
<b>CURRENT LIABILITIES</b>			
<b>Creditors</b> - amounts falling due within 1 year	<b>9</b>	1,134,736	1,361,469
		<u>1,134,736</u>	<u>1,361,469</u>
<b>NET CURRENT LIABILITIES</b>		(405,584)	(897,179)
<b>NET ASSETS</b>		<u>10,394,587</u>	<u>8,459,411</u>
<b>CAPITAL FUNDS</b>			
Expendable endowment	<b>10</b>	10,394,587	8,459,411
<b>INCOME FUNDS</b>			
Unrestricted funds	<b>10</b>	-	-
		<u>10,394,587</u>	<u>8,459,411</u>

The financial statements were approved and authorised for issue by the Trustees on 14 July 2011 and were signed on their behalf by :

.....

TRUSTEE

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 5 APRIL 2011**

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

	<u>2011</u>	<u>2010</u>
	£	£
Net incoming resources	1,852,888	449,353
Depreciation charge	1,000	1,000
Decrease in debtors	5,595	812,173
Decrease in creditors	(226,733)	(390,558)
Net cash inflow from operating activities	<u>1,632,750</u>	<u>871,968</u>

**CASH FLOW STATEMENT**

	<u>2011</u>	<u>2010</u>
	£	£
Net cash inflow from operating activities	1,632,750	871,968
Capital expenditure and financial investment:		
Purchase of investments	(7,117,908)	(2,033,340)
Sale of investments	5,749,951	1,651,592
Effect of foreign exchange rate changes	5,664	3,401
	<u>(1,362,293)</u>	<u>(378,347)</u>
increase in cash	<u>270,457</u>	<u>493,621</u>

**Analysis of increase in cash during the year**

	<u>2011</u>	<u>2010</u>	<u>Change in year</u>
	£	£	£
Cash at bank and in hand	699,707	429,250	270,457
	<u>699,707</u>	<u>429,250</u>	<u>270,457</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:

	2011		2010	
	£	%	£	%
Government fixed interest	2,175	2	-	-
Other fixed interest	22,500	19	-	-
UK equities	78,023	66	95,683	81
Overseas equities	15,028	13	23,151	19
	117,726	100	118,834	100



## NOTES TO THE ACCOUNTS

### 3. GRANTS PAYABLE

	2011		2010	
	£	£	£	£
<b>Reconciliation of grants payable:</b>				
Commitments at 6 April 2010		1,348,250		1,656,904
Grants not accrued at 6 April 2010	1,315,700		618,462	
Grants approved in the year	614,606		2,065,445	
Grants cancelled or refunded	(82,700)		(13,450)	
Grants not accrued at 5 April 2011	(610,939)		(1,315,700)	
<b>Grants payable for the year</b>		<b>1,236,667</b>		<b>1,354,757</b>
Grants paid during the year		(1,463,378)		(1,663,411)
Commitments at 5 April 2011		<u>1,121,539</u>		<u>1,348,250</u>

#### Commitments at 5 April 2011 are payable as follows:

	2011		2010	
	£	£	£	£
Within one year (note 9)		<u>1,121,539</u>		<u>1,348,250</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 2011 was £610,939 (2010: £1,315,700).

The grants payable in the year include the following:

#### Children and Young People with Complex Disabilities in the UK

	£
Council for Disabled Children	100,000
Heart'n Soul	100,000
Sibs	53,550
Grants up to £50,000 were also made totalling	36,057

#### Palliative Care for Children and Young People in the UK

	£
Chair in Children's Palliative Care	241,550
East Anglia's Children's Hospices (EACH)	244,020
Grants up to £50,000 were also made totalling	59,000

#### Palliative Care in sub-Saharan Africa

	£
African Palliative Care Association	210,000
Grants up to £50,000 were also made totalling	69,760

#### Small Grants UK

	£
Discover	10,000
Pamis	10,000
SeeSaw	10,000
Grants up to £10,000 were also made totalling	92,730

Total grants payable per Statement of Financial Activities	<u>1,236,667</u>
--	------------------

## NOTES TO THE ACCOUNTS

### 4. ALLOCATION OF SUPPORT COSTS

	Grant- Making	Governance	2011 Total Allocated	Grant- Making	2010 Governance
	£	£	£	£	£
Staff costs	119,225	1,875	121,100	116,747	1,653
Share of joint office costs	46,700	-	46,700	39,700	-
Direct costs including travel	21,393	-	21,393	27,520	-
Legal and professional fees	5,870	-	5,870	17,343	-
Consultancy	7,044	-	7,044	10,520	-
Depreciation	1,000	-	1,000	1,000	-
Auditors' remuneration	-	2,943	2,943	-	2,820
	<b>201,232</b>	<b>4,818</b>	<b>206,050</b>	<b>212,830</b>	<b>4,473</b>

Included above is £5,870 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

	2011	2010
	£	£
Wages and salaries	98,023	95,704
Social security costs	11,370	10,915
Other pension costs	11,707	11,781
	<b>121,100</b>	<b>118,400</b>

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. 3.4% 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 2010/11. Staff costs equivalent to 2.3 full time employees were charged to the True Colours Trust in 2010/11 (2009/10 - 2.1).

### 6. TANGIBLE FIXED ASSETS

#### Leasehold Improvements

	2011	2010
	£	£
<b>Cost</b>		
At 6 April 2010	10,000	10,000
At 5 April 2011	10,000	10,000
<b>Depreciation</b>		
At 6 April 2010	8,000	7,000
Charge for the year	1,000	1,000
At 5 April 2011	9,000	8,000
<b>NET BOOK VALUE</b>		
At 5 April 2011	1,000	2,000
<b>NET BOOK VALUE</b>		
At 5 April 2010	2,000	3,000

## NOTES TO THE ACCOUNTS

### 7. FIXED ASSET INVESTMENTS

	2011	2010
	£	£
Market value 6 April 2010	9,354,590	7,779,753
Less: Disposals at book value	(5,785,503)	(1,534,937)
Add: Acquisitions at cost	7,117,908	2,033,340
Net gains on revaluation	112,176	1,076,434
<b>Market value 5 April 2011</b>	<b>10,799,171</b>	<b>9,354,590</b>
Historical cost 5 April 2011	10,602,467	9,066,608

The investments held as at 5 April 2011 were as follows:

	2011		2010	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Direct investment in listed UK and overseas securities				
Government fixed interest	325,338	325,753	-	-
Other fixed interest	1,231,539	1,191,059	-	-
UK equities	1,762,727	1,968,330	3,161,155	3,230,118
Overseas equities	482,863	514,029	1,043,453	1,262,472
Money Market deposits	6,800,000	6,800,000	4,862,000	4,862,000
	10,602,467	10,799,171	9,066,608	9,354,590

### 8. DEBTORS

	2011	2010
	£	£
Income tax recoverable	1,243	1,570
Other debtors	28,202	30,230
Investment management fee	-	3,240
	29,445	35,040

### 9. CREDITORS

	2011	2010
	£	£
Grants payable within one year	1,121,539	1,348,250
Professional charges	5,870	13,219
Investment management fee	7,327	-
	1,134,736	1,361,469

## NOTES TO THE ACCOUNTS

### 10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Expendable Endowment	Totals 2011
	£	£	£
Fund balances at 5 April 2011 are represented by:			
Tangible fixed assets	-	1,000	1,000
Investments	-	10,799,171	10,799,171
Current assets	1,127,409	(398,257)	729,152
Current liabilities	(1,127,409)	(7,327)	(1,134,736)
<b>Total net assets</b>	-	10,394,587	10,394,587

	Unrestricted Funds	Expendable Endowment	Totals 2011
	£	£	£
<b>Unrealised gains</b>			
On investment assets (see note below)	-	196,704	196,704
Total unrealised gains at 5 April 2011	-	196,704	196,704

#### Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 6 April 2010	-	287,982	287,982
Add in respect of disposals in year	-	(203,454)	(203,454)
	-	84,528	84,528
Add: net gains arising on revaluation in year	-	112,176	112,176
Unrealised gains at 5 April 2011, as above	-	196,704	196,704

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' 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.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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 2011 set out on pages 12 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2011 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; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

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

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- 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.

**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Date

St Bride's House  
10 Salisbury Square  
London EC4Y 8EH