

Registered Charity Number 1157779



**THE PARGITER TRUST CIO
TRUSTEES' REPORT
AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

THE PARGITER TRUST CIO

CHARITY INFORMATION

Founder	The Late Hon Mrs Isobel Cooper-Heyman
Trustees	Mrs S C Gardiner Mr M P Cash Mr J M K Goodacre Mrs V Westhorp Mr M Mogford Mr M Starkey (appointed March 2018)
Secretary	D B McManus
Correspondence address	c/o Roffe Swayne Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
Registered office	c/o Roffe Swayne Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
Auditor	Roffe Swayne Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
Principal bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Investment advisors	J M Finn & Co Ltd 4 Coleman Street London EC2R 5TA
Solicitors	Bates Wells & Braithwaite London LLP Scandinavian House 2-6 Cannon Street London EC4M 6YH
Charity Registration Number	1157779

THE PARGITER TRUST CIO

CONTENTS

	Page
Report of the Trustees	3 to 9
Report of the Independent Auditor	10 to 11
Consolidated Statement of Financial Activities	12 to 13
Consolidated Balance Sheet	14
Balance Sheet	15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17 to 26

Chair's Foreword

I am pleased to have this opportunity to present the third set of Report and Accounts for our Charitable Incorporated Organisation (CIO) which became a registered charity on 8 July 2014.

Vastly improved life expectancy, one of the great triumphs of the last century, looks set to be one of great challenges of the future and how we support older people to enjoy a better quality of life. Many of the charities we have worked with over the years have some creative and great ideas. Moving forward into 2018 and beyond I would like to see Pargiter Trust act as a connector in the sharing of these good practices and ideas.

When it comes to ageing, we often forget about ordinary problems that face people as they enter later life. Meeting these seemingly minor challenges could have huge benefits for the ageing population. This year we have had the opportunity to work with many different organisations that have addressed this in various ways, many of these are very simple, from day trips in boats, exercise classes and befriending.

We continue to have a clear strategy for both the short and longer term. Good governance remains at the forefront of everything we do and in 2017 we introduced a policy on the new General Data Protection Regulations. Our overall aim continues to be able to demonstrate how the charity not only meets regulatory requirements but is also forward looking in terms of the Trust's development.

In 2017 we developed our first brochure highlighting our key achievements in the last 12 years. We were able to launch this at a celebration event we held in Guernsey, showcasing the impact of our support for older people.

There was a further increase in funding available for grant giving and this has enabled us to expand the number of community partners and we welcome both Kent and Berkshire Community Foundations. As detailed in the Trustees' report, 2017 was yet again a successful year for community and grant awards with over £316,000 paid out with a wide range of beneficiaries across England and Guernsey. I thank my fellow Trustees for their commitment, dedication and support they have given me throughout the year and acknowledge the assistance from all our grant partners in helping us achieve our aims over the past twelve months.

We continually look to cover different areas in our grant giving and sourcing grass roots organisations, as ever we are keen to ensure that our grant-making is effective and reaches as many beneficiaries as possible.

I would also like to highlight and show my appreciation for the hard work and commitment of the Grant Committee Chair, Committee members and the Honorary Treasurer, whose passionate involvement has contributed hugely to the achievement of the objectives.

We are grateful to all our community partners for the very deserving and fulfilling work that they do. I am delighted to say that our £75,000 Community First Endowment Fund that we established with the Community Foundation for Surrey in February 2015 had a balance as at the 31 March 2017 totalling £116,178, we work with the Foundation to distribute income from this endowment to support older people in Surrey.

In 2017 we established our process for 'impact' measuring and this continues to help us demonstrate how the charity is meeting its key objectives.

As ever, I am very much looking forward to supporting many older people in England and the Bailiwick of Guernsey in the coming years, particularly in helping improve the quality of their lives.

Suzanne Gardiner
Chair – The Pargiter Trust CIO

VISION

'The vision of the Trust is a society where older people enjoy a better quality of life'.

MISSION

The purpose of the organisation is to provide funding to support disadvantaged older people to be independent, healthy and socially included.

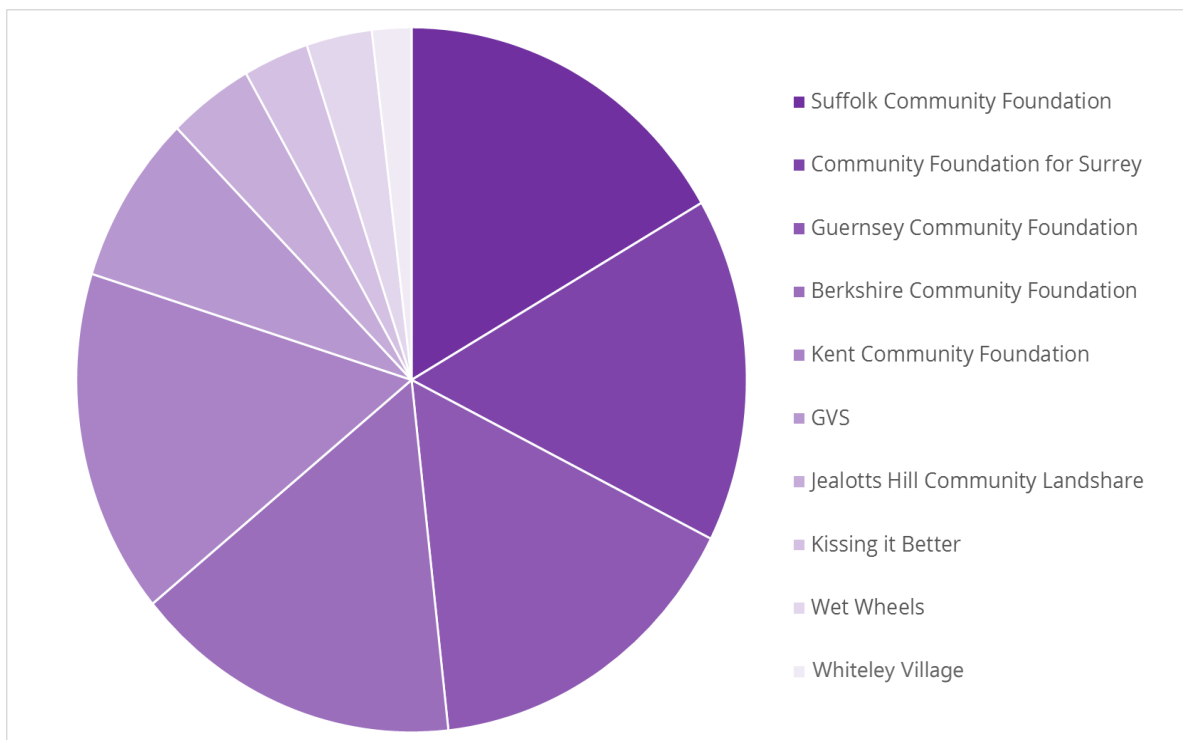
VALUES

Reflecting the wishes of the Founder.
Building long-term relationships with worthwhile organisations.
Providing value for money.

2017 AT A GLANCE

In 2017 we worked with five Community Foundations; Surrey, Suffolk, Berkshire, Kent and Guernsey granting a £325k spend within the Community Foundation Network.

A further £66k was spent on innovation grants, including two new partnerships with Whiteley Village and Jealott's Hill Community Landshare.





1. Our purpose

Vision

Our vision is a society where older people have a better quality of life.

Our Mission

Our mission is to support disadvantaged older people to be independent, healthy and socially included.

Our Values

To reflect the wishes of the Founder

Building long term relationships with worthwhile organisations

To provide value for money

2. Charitable objectives

The charity achieves its objectives by way of grants made to charities to help support older people in England and Guernsey. Our strategic aims and activities are set out later in this report.

3. Structure, Governance and management Legal and administrative details

The original Pargiter Trust (the "charity") was founded by the Late Hon Mrs Isobel Cooper-Heyman in 2005. It became an unincorporated registered charity in England and Wales on 16 February 2006 (registered charity number 1113016). In consultation with the charity's legal advisers, the Trustees established this Charitable Incorporated Organisation (CIO) in 2014 under a CIO Foundation Constitution dated 19 March 2014, registered it as a charity on 8 July 2014 and transferred the unincorporated charity's assets to the new entity on 1 January 2015. The two registered charities were merged in late 2015.

There are currently five Trustees (maximum eight) and they are responsible for directing the affairs of the charity including setting the strategic direction, the approval of key policies, the approval of business plans and budgets and any other matters which have a material impact on the charity's financial position, its strategy, reputation or risk profile. Trustees are appointed in line with the provisions set out in the Trust Deed (the "governing document").

The Trustees consider recruitment of new Trustees as the need arises. Applications from suitable candidates would be sought by identifying specific gaps in professional skills, if necessary placing advertisements in suitable publications. A new Trustee would be provided with an information pack outlining the history of the organisation, its structure, activities and objectives together with Charity Commission guidance and codes of conduct related to the roles and responsibilities of a Trustee.

The charity owns the whole of the issued share capital of Sarnia Properties Ltd (SPL), a Guernsey based property investment company, whose sole asset, apart from cash reserves, comprises a site of light industrial units and domestic dwellings in Guernsey, which the Trustees consider to be of significance to the economic life of the island. SPL has three Directors of which currently one is also a Trustee of the charity. The fees paid to directors are based on what would need to be paid to an external party for those services provided. Any increase in fees or payment for additional services would require approval from the Trustees and be based on the equivalent salary to be paid for someone to perform that role for the required number of hours.

The charity achieves its objectives by way of grants made to charities to help support older people in England and Guernsey.

3. Structure, Governance and management Legal and administrative details (continued)

Trustees

The Trustees met four times during the year. Overall attendance by Trustees was 80%.
The Trustees who served and their attendance are listed below:

Mrs S C Gardiner (100%)
Mr M P Cash (75%)
Mr J M K Goodacre (50%)
Mrs V Westhorp (75%)
Mr M Mogford (100%)

Grants and Awards Committee

The charity has a formal Grants and Awards Committee which has its own Terms of Reference setting out its delegated authority to consider all grant applications. The Committee comprises the Grant Committee Chair and two other serving Trustees and meets on a regular basis throughout the year.

The Committee submits a quarterly report to the Trustees which sets out the nature of the applications and the grants being made or considered. All grant applications need to meet specific eligibility criteria. The charity does not award grants directly to individuals and in most cases applications are received via the charity's community partners who undertake the primary assessment of each application.

4. Strategic planning and Review of 2017 activities

4.1 Strategic planning

The Trustees have two clear strategic objectives:

Objective one – grant making

To make grants in England and Guernsey to enable disadvantaged older people to be independent, healthy and socially included.

Objective two – Innovation

To work collaboratively to find innovative ways to help disadvantaged older people to be independent, healthy and socially included.

The methodology for achievement of these objectives is to work in partnership with recognised charitable organisations to deliver financial help to those older people in need.

4.2 Review of 2017 activities and achievement of the objectives

The Grants and Awards Committee has delegated responsibility on behalf of the Board of Trustees for ensuring that the Pargiter Trust, working to an agreed budget, delivers an effective grants and awards programme. This has been a steady year for the charity both in terms of the refinement of our strategy and actual grant making.

With this in mind, the Trustees have reviewed the nature of the Charity's assets. This has resulted in monies paid to Community Foundation for Surrey of £75,000 being included in these accounts as a grant.

The Committee work together with the Foundation and are able to control how the monies are spent to meet the Charity's objectives.

4.2 Review of 2017 activities and achievement of the objectives (continued)

Grants paid totalled £316,298.50. The grants were awarded to the following partnership organisations:

- Community Foundation for Surrey	£50,000
- Guernsey Community Foundation	£50,000
- Suffolk Community Foundation	£52,600
- Kent Community Foundation	£50,000
- Berkshire Community Foundation	£50,000
- Guernsey Voluntary Services	£24,672
- Kissing It Better	£10,000
- Wet Wheels	£10,000
- Jealotts Hill	£13,027
- Whiteley Village	£6,000

4.2 Review of 2017 activities and achievement of the objectives (continued)

Impact Update

In 2017 the Trustees undertook a skills audit to ensure that it continued to have the necessary collective skills available to be an effective organisation.

Future projects

In the next twelve months the Trustees will be seeking to consolidate and build on its existing relationships with its external partners.

Investments/Investment performance

The investments held by the charity in property, listed investments and in the subsidiary have continued to provide income to enable the charity to make charitable grants. After deducting the direct property expenses and the portfolio management fees, each have provided a return of between 3% and 5% on the average asset value held in the year. This is in line with the objectives set.

Public benefit

The Trustees have paid due regard to the Charity Commission guidance on "Public Benefit" in deciding what activities the charity undertakes. All activities undertaken by the Pargiter Trust are focussed on its charitable purposes. The "Public Benefit" of the Pargiter Trust's activities is the support of older people and this is achieved principally by the award and monitoring of grants.

5. Financial Review

The financial statements comply with current statutory requirements, the charity's governing instrument (the Trust Deed) and the Charities SORP (FRS 102) 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) effective 1 January 2015 (as amended).

The charity's principal funding source is from investment income and an annual distribution from its holding in Sarnia Properties Ltd.

The parent charity's gross income for the year totalled £401,557 (2016: £292,717) and its net expenditure (before net losses on revaluation of properties and investments) totalled £376,227 (2016: £298,244).

5. Financial Review (continued)

Income for the Group for the year, inclusive of the Sarnia Properties Ltd holding, was £632,439 (2016: £722,489) with net expenditure (before net gains on revaluation of properties and investments) of £685,829 (2016: £502,821). Net gains on revaluation of properties and investments were £444,086 (2016: net loss of £405,204) giving a net increase in funds for the year of £390,696 (2016: £185,536 decrease).

The Group had total funds as at 31 December 2017 of £12,715,056 (2016: £12,234,360).

5.1 Reserves policy

The subsidiary company Sarnia Properties Ltd has free reserves, most of which were accumulated during the period before the company's shares were gifted to the charity. The Trustees ensure that sufficient reserves are held to meet one year's governance costs as well as covering grants pending approval in case of a downturn in investments.

Following advice from the charity's solicitors the Trustees have resolved that the bequest of the founding Trustee should, taking account of her wish, as stated in her will, be treated as capital and be accountable for as an expendable endowment fund. The value of this fund as at 31 December 2017 was £12,413,288 (2016: £12,047,922).

The unrestricted income fund, totalling £301,768 as at 31 December 2017 (2016: £276,438), included £75,000 (2016: £75,000) which could only be realised by disposing of programme related investments. After taking this into account, the charity had free reserves of £226,768 as at 31 December 2017 (2016: £201,438), which are in line with the target reserves policy.

5.2 Investment policy

The Trustees appointed J M Finn and Co. Ltd to manage the charity's investment portfolio on a discretionary basis; the Trustees have agreed that their investment objective is a balanced return from income and capital growth and that they have a medium risk profile, as defined by the investment advisers. Half yearly valuations and commentaries are provided to the Trustees and the investment manager meets with the Trustees from time to time as required to report on and discuss the overall performance of the portfolio.

5.3 Risk management

The Trustees acknowledge their responsibilities for setting the approach and management of risk. The Trustees have agreed a formal risk policy and maintain a risk register which sets out the key areas of risk and the mitigating controls. The Trustees consider that the major risk is associated with the charity's ownership of Sarnia Properties Ltd, which shareholding accounts for a very substantial proportion of the charity's assets. To mitigate this, the Trustees have an oversight role and receive regular reporting from Sarnia at their Board meetings.

Within Sarnia Properties Ltd is an investment property which is let to a third party engaged in the business of storage and distribution of petroleum products. The Trustees have been concerned to ensure that all necessary steps have been taken to maintain the safety of the site and to mitigate the risks associated with the tenancy.

Risk management is a standard item for discussion at all Trustee meetings with an in-depth review at least annually. This process identifies the major risks the Trust faces, the likelihood of occurrence, the significance of the risk and any mitigating that are in place. It also seeks to identify any actions and resources required to manage these risks further.

5.3 Risk management (continued)

The board of Trustees reviews annual budgets, grants remuneration and benefits. It also oversees major property, governance and other projects.

The Trustees acknowledge their responsibility for managing fraud and have in place a fraud response plan and policy. The risk is limited to banking, inflated expenses and fake grant requests, which are governed by a system of internal controls.

6. Statement of Trustees responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The 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 state of affairs of the charity and of the incoming resources and application of resources 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;
- observe the methods and principles in the charities SORP 2015 (FRS 102);
- make judgements 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 in operation

The Trustees are responsible for keeping 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, Charity (Accounts and Reports) Regulations 2008 and trust deed. They are also responsible for the safeguarding of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. A new anti-fraud policy was agreed and implemented during the year.

7. Auditors

All of the current Trustees have taken steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any other relevant information of which the auditors should be aware.

In keeping with recognised practice the charity reviewed its external audit arrangements and undertook a tender process which resulted in Roffe Swayne being appointed as new auditors. The Trustees have a commitment to review all of its external providers as part of ensuring quality and value for money.

Approved by the Trustees and signed on their behalf on 26 July 2018 by

Mrs S C Gardiner
Trustee and Chair

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PARGITER TRUST CIO
FOR THE YEAR ENDED 31 DECEMBER 2017**

Opinion

We have audited the financial statements of The Pargiter Trust CIO Charity (the 'charity') for the year ended 31 December 2017 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity's Balance Sheet, Consolidated Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at [date], 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 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PARGITER TRUST CIO
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements which 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.

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

Roffe Swayne
Statutory Auditor
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Roffe Swayne is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Date: 1 August 2018

THE PARGITER TRUST CIO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Endowment funds £	2017 £
Income and endowments from:				
Other trading activities	4	-	473,365	473,365
Income from investments	5	151,557	7,517	159,074
Total income and endowments		151,557	480,882	632,439
Expenditure				
Expenditure on raising funds	6	37,049	277,161	314,210
Expenditure on charitable activities	7	414,178	-	414,178
Other expenditure				
Taxation	3	-	32,441	32,441
Total expenditure		451,227	309,602	760,829
Net gains / (losses) on investments		-	444,086	444,086
Net income / (expenditure) before transfers		(299,670)	615,366	315,696
Transfers between funds		250,000	(250,000)	-
Net (expenditure)/income		(49,670)	365,366	315,696
Net movement in funds		(49,670)	365,366	390,696
Fund balances at 1 January 2017		276,438	12,047,922	12,324,360
Fund balances at 31 December 2017		226,768	12,413,288	12,715,056

All of the operations undertaken during the current and preceding year are continuing operations. The Trust has no recognised gains and losses other than those included in the results above.

THE PARGITER TRUST CIO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds £	Endowment funds £	2016 £
Income and endowments from:				
Other trading activities	4	-	576,114	576,114
Income from investments	5	142,717	3,658	146,375
Total income and endowments		142,717	579,772	722,489
Expenditure				
Expenditure on raising funds	6	(35,941)	(166,325)	(202,266)
Expenditure on charitable activities	7	(262,303)	-	(262,303)
Other expenditure				-
Taxation	3	-	(38,252)	(38,252)
Total expenditure		(298,244)	(204,577)	(502,821)
Net gains / (losses) on investments		-	(405,204)	(405,204)
Net income / (expenditure) before transfers		(155,527)	(30,009)	(185,536)
Transfers between funds		150,000	(150,000)	-
Net income / (expenditure)		(5,527)	(180,009)	(185,536)
Net movement in funds		(5,527)	(180,009)	(185,536)
Fund balances at 1 January 2016		281,965	12,227,931	12,509,896
Fund balances at 31 December 2016		276,438	12,047,922	12,324,360

The Trust has no recognised gains and losses other than those included in the results above.

**THE PARGITER TRUST CIO
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	9		11,521,537		11,122,582
			<u>11,521,537</u>		<u>11,122,582</u>
Current assets					
Debtors	10	30,623		32,322	
Cash at bank and in hand	11	1,281,956		1,330,812	
		<u>1,312,579</u>		<u>1,363,134</u>	
Creditors: Amounts falling due within one year					
	12	(194,060)		(161,356)	
Net current assets			1,118,519		1,201,778
Total assets less current liabilities			<u>12,640,056</u>		<u>12,324,360</u>
Net assets			<u>12,640,056</u>		<u>12,324,360</u>
Funds					
Unrestricted fund	15		226,768		276,438
Endowment fund			12,413,288		12,047,922
			<u>12,640,056</u>		<u>12,324,360</u>

The financial statements were approved by the Trustees and authorised for issue on 26 July 2018 and signed on their behalf by

Mrs S C Gardiner
Trustee

Mr M Mogford
Trustee

**THE PARGITER TRUST CIO
BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	9		12,340,434		12,038,972
			<u>12,340,434</u>		<u>12,038,972</u>
Current assets					
Debtors: due within one year	10	1,324		1,056	
Cash at bank and in hand	11	315,383		307,407	
			<u>316,707</u>	<u>308,463</u>	
Creditors: Amounts falling due within one year					
	12	(17,085)		(23,075)	
Net current assets			299,622		285,388
Total assets less current liabilities			<u>12,640,056</u>		<u>12,324,360</u>
Net assets			<u>12,640,056</u>		<u>12,324,360</u>
Funds					
Unrestricted fund	16		226,768		276,438
Endowment fund			12,413,288		12,047,922
			<u>12,640,056</u>		<u>12,324,360</u>

The financial statements were approved by the Trustees and authorised for issue on 26 July 2018 and signed on their behalf by

Mrs S C Gardiner
Trustee

Mr M Mogford
Trustee

**THE PARGITER TRUST CIO
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	13	(152,933)	319,654
Cash flows from investing activities:			
Dividends and interest		133,946	121,247
Proceeds from the sale of listed investments		114,854	507,091
Purchase of investment property		(18,773)	(3,775)
Purchase of listed investments		(125,950)	(479,284)
Purchase of programme related investments		-	-
Net cash provided by / (used in) investing activities		<u>104,077</u>	<u>145,279</u>
Change in cash and cash equivalents in the reporting period		(48,856)	464,933
Cash and cash equivalents at the beginning of the reporting period	11	1,330,812	865,879
Cash and cash equivalents at the end of the reporting	11	<u><u>1,281,956</u></u>	<u><u>1,330,812</u></u>



1. Summary of significant accounting policies

General information and basis of preparation

The Pargiter Trust CIO is a charitable incorporated organisation in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is to support disadvantaged elderly people to be independent, healthy and socially included.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2016.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. There are no material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary, Sarnia Properties Limited on a line by line basis. Exemption has been taken from the requirement to prepare a separate statement of financial activities for the Parent Charity. The net surplus of the parent charity for the year after net gains and losses was £390,696 (2016: £170,761 net deficit).

Funds

Unrestricted general funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives of the charity and which have not been designated for other purposes.

The expendable endowment fund comprises those assets arising from the estate of the founding trustee. The Trustees have the power to use this fund to augment income provided they are satisfied that this is in the best interests of the charity. Dividend income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income in the charity. Any capital gains or losses arising on the investments form part of the fund. Property management charges, administration expenses and legal advice relating to the fund are charged against the fund.

Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is recognised on a receivable basis for the financial year. Trading income is included at the value of goods and services supplied.

1 Summary of significant accounting policies (continued)

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Administration costs are allocated to the activity to which they relate wherever possible and to the endowment fund when specifically relating to that fund. Governance costs relating to the endowment fund are directly allocated. Other governance costs which cannot be directly allocated are allocated between activities in unrestricted funds in proportion to the direct costs incurred.

Grants payable

Grants are payable out of the Parent Charity's unrestricted funds, which are derived from income arising on the Endowment Fund investments, including distributions received from the subsidiary. Expenditure on grants is recorded once the trust has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier.

Taxation

Guernsey income tax is charged on the rental profits of the subsidiary company, Sarnia Properties Limited.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Programme Related Investments

Programme Related Investments are those investments which provide investment funding to organisations in order to directly further the charitable purposes of the Trust. They are recognised initially at cost and are assessed for evidence of impairment at the end of each reporting period.

Other investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the unrestricted fund if the shares are publically traded or their fair value can otherwise be measured reliably. Investments in subsidiaries, recognised in the parent charity's own balance sheet, are measured at fair value which is considered to be equal to the value of the subsidiary's net assets.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Debtors and creditors receivable

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements and key sources of estimation uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to determining the fair value of the investment property, which is sensitive to fluctuations in the property market. The key judgement is considered to relate to the inclusion of the subsidiary within the parent company's balance sheet at valuation at the balance sheet date.

2 Staff costs

	2017 £	2016 £
The average weekly number of employees was:-		
Directors of Subsidiary	3	3
	<u>3</u>	<u>3</u>
Their total remuneration was:		
Salaries and wages, including benefits in kind	56,200	49,488
	<u>56,200</u>	<u>49,488</u>

No employees received employee benefits of more than £60,000.

3 Taxation

The Pargiter Trust CIO is a registered charity and is thus exempt from tax on income and gains falling within sections 521 to 536 of the Income Tax Act 2007 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charge has arisen in the Parent Charity. Guernsey income tax of £32,441 is payable by Sarnia Properties Limited (2016: £38,252).

4 Other trading activities

	Unrestricted fund 2017 £	Endowment fund 2017 £	Total 2017 £	Total 2016 £
Rent Receivable	-	473,365	473,565	576,114

5 Investment income

	Unrestricted fund 2017 £	Endowment fund 2017 £	Total 2017 £	Total 2016 £
Bank deposit interest	155	2,560	2,715	3,818
Other interest receivable	-	4,957	4,957	
Rent receivable	25,128	-	25,128	25,128
Dividends receivable	126,274	-	126,274	117,429
	<u>151,557</u>	<u>7,517</u>	<u>159,074</u>	<u>146,375</u>

6 Expenditure on raising funds

	Unrestricted fund 2017 £	Endowment fund 2017 £	Total 2017 £	Total 2016 £
Property expenses	4,876	172,054	176,930	44,658
Portfolio management fees	31,942	-	31,942	28,604
Direct administration expenses	231	97,632	97,863	118,934
Allocation of governance costs (note 8)	-	7,475	7,475	10,070
	<u>37,049</u>	<u>277,161</u>	<u>314,210</u>	<u>202,266</u>

7 Expenditure on Charitable activities

	Unrestricted fund 2017 £	Endowment fund 2017 £	Total 2017 £	Total 2016 £
Direct grants to organisations:				
Community Foundation for Surrey	125,000	-	125,000	50,000
Guernsey Community Foundation	50,000	-	50,000	50,000
Guernsey Voluntary Services	17,337	-	17,337	17,337
Suffolk Community Foundation	52,600	-	52,600	50,000
Kent Community Foundation	50,000	-	50,000	-
Berkshire Community Foundation	50,000	-	50,000	-
Kissing it Better	10,000	-	10,000	-
Wet Wheels	10,000	-	10,000	-
Jealotts Hill Grant	13,027	-	13,027	-
Whiteley Community Foundation	6,000	-	6,000	-
St Mungo's City Lodge	-	-	-	69,000
In Deep	-	-	-	10,680
	<u>391,299</u>	<u>-</u>	<u>391,299</u>	<u>247,017</u>
Allocation of governance costs (note 8)	22,879	-	22,879	15,286
	<u>414,178</u>	<u>-</u>	<u>414,178</u>	<u>262,303</u>

Included in the above is a grant of £75,000 to Community Foundation for Surrey which has previously been included as Programme Related Investment – see note 9.

8 Governance costs

	Unrestricted funds £	Endowment Fund £	Total 2017 £	Total 2016 £
Secretary's salary	5,769	-	5,769	3,388
Trustees expenses (note 15)	3,920	-	3,920	2,870
Trustees indemnity insurance	293	-	293	286
Trustee meeting costs	2,447	-	2,447	-
Audit fees relating to Group and Parent	9,240	-	9,240	7,520
Audit fees relating to subsidiary	-	7,475	7,475	7,975
Legal and professional	138	-	138	3,317
Sundry	1,072	-	1,072	-
	<u>22,879</u>	<u>7,475</u>	<u>30,354</u>	<u>25,356</u>
Allocated to:				
Expenditure on raising funds (note 6)	-	7,475	7,475	10,070
Expenditure on Charitable activities (note	22,879	-	22,879	15,286
	<u>22,879</u>	<u>7,475</u>	<u>30,354</u>	<u>25,356</u>

These costs have been apportioned across the work of the charity on the basis disclosed in note 1 and allocated to each of the charity's activities as set out in the table above.

9 Fixed asset investments

GROUP

	Programme related investment £	Investment properties £	Listed investments £	Total £
At 1 January 2017	75,000	7,736,917	3,310,665	11,122,582
Additions	-	18,773	126,817	145,590
Disposals	-	-	(122,696)	(122,696)
Revaluation	-	120,654	330,407	451,061
Transfer to grants	(75,000)	-	-	(75,000)
At 31 December 2017	-	7,876,344	3,645,193	11,521,537

PARENT

	Subsidiary undertaking £	Programme related investment £	Investment properties £	Listed investments £	Total £
At 1 January 2017	7,953,307	75,000	700,000	3,310,665	12,038,972
Additions	-	-	-	126,817	126,817
Disposals	-	-	-	(122,696)	(122,696)
Revaluation	41,934	-	-	330,407	372,341
Transfer to grants	-	(75,000)	-	-	(75,000)
At 31 December 2017	7,995,241	-	700,000	3,645,193	12,340,434

The investment in subsidiary undertakings represents a 100% holding in the ordinary share capital of Sarnia Properties Limited, a company registered in Guernsey, registered number 900. Its registered office address is First Floor, Harbour Court, Les Amballes, St Peter Port, Guernsey. At the year end, the aggregate capital and reserves of the company amounted to £7,995,241 (2016: £7,953,307). Its turnover was £473,365 (2016: £576,114), its expenditure was £277,161 (2016: £166,325) and its gain for the financial year after taxation but before dividends amounted to £171,280 (2016: £375,195).

The investment properties held in the subsidiary Sarnia Properties Limited were revalued at Existing Use Value (EUV) by Swoffors, an independent RICS qualified valuer, on 29 December 2016 and included an adjustment for work required. The fair value of the Parent charity's investment in the subsidiary has been revalued to the subsidiary's net assets including this property valuation.

The investment properties held in the Parent charity were revalued at EUV by Tod Anstee in 2014, an independent valuer. The trustees consider this to be the appropriate fair value as they do not consider there to be any change in the value of the property since the formal valuation.

The Parent charity invested in a range of listed investments. The portfolio is managed by J M Finn & Co, registered investment managers who are regulated by the Financial Conduct Authority.

Included in listed investments held at the year end were holdings valued at £761,191 (2016: £594,928) which were based outside the UK.

The programme related investment set up in 2015 was an amount of £75,000 invested with Community Foundation for Surrey. During the year, the Trustees have reviewed this and consider this should be included as a grant.

10 Debtors

	Group 2017 £	Parent charity 2017 £	Group 2016	Parent charity 2016
Due within one year:				
Trade debtors - rents receivable		-	147	-
Prepayments and accrued income	8,120	1,074	16,279	806
Other debtors	22,413	250	15,896	250
Total due within one year	30,623	1,324	32,322	1,056

11 Analysis of cash and cash equivalents

	Group 2017 £	Parent charity 2017 £	Group 2016	Parent charity 2016
Cash at bank - current and deposit accounts	1,281	315,383	1,330,8	307,407

12 Creditors: amounts falling due within one

	Group 2017 £	Parent charity 2017 £	Group 2016 £	Parent charity £
Corporation tax	-	-	6,789	-
Other creditors	79,45	-	79,321	-
Accruals and deferred income	114,6	17,085	75,246	23,075
	194,0	17,085	161,35	23,075

Included within Accruals and deferred income are rents received in advance from investment properties which are deferred in accordance with the application of the accruals basis.

13 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per statement of financial activities)	315,696	(185,536)
Adjustments for:		
(Gains)/losses on investments	(369,086)	405,204
Dividend and interest from investments	(133,946)	(121,247)
Decrease/(increase) in debtors	10,534	135,597
Increase/(decrease) in creditors	39,494	104,934
Taxation	32,441	38,252
Cash flow from operating activities	<u>(104,867)</u>	<u>377,204</u>
Tax paid	(48,066)	(57,550)
Net cash (used in) / provided by operating activities	<u><u>(152,933)</u></u>	<u><u>319,654</u></u>

14 Trustees' remuneration and expenses

One trustee received remuneration for their work as a director of the subsidiary company and not for their role as trustee of the Parent Charity (2016: One trustee). The funds were paid out of the subsidiary's funds. Mrs S C Gardiner received £32,200 in the year (2016: £10,100). No trustees received remuneration during the year for their role as a trustee of the Parent Charity (2016: £ Nil).

Reimbursement of expenses to five trustees in respect of the year ended 31 December 2017 was £3,920 (2016: £2,870). These expenses relate to travel costs incurred in the year.

The Trustees are considered to be the key management personnel for the charity. There were no other payments to key management personnel.



15 Movement in funds - Group

	Brought forward £	Incoming resources £	Resources expended £	Gains and losses £	Transfers between £	Carried forward £
Unrestricted fund	276,438	151,557	(451,277)	-	250,000	226,768
Total unrestricted funds	276,438	151,557	(451,277)	-	250,000	226,768
Expendable endowment fund	7,290,195	480,882	(309,602)	-	(250,000)	7,290,195
Revaluation reserve	4,757,727	-	-	444,086	-	4,757,727
Total endowment funds	12,047,922	480,822	(309,602)	444,086	(250,000)	12,413,288
Total funds - Group	12,324,360	632,439	(760,879)	444,086	-	12,640,006

Transfers represent the amount paid in dividends from the subsidiary to the parent charity which is unrestricted to be used in accordance with the objects of the charity.

16 Movement in Funds - Parent charity

	Brought forward £	Incoming resources £	Resources expended £	Gains and losses £	Transfers between funds £	Carried forward £
Unrestricted fund	276,438	401,557	(451,277)	-	-	226,768
Total unrestricted funds	276,438	401,557	(451,227)	-	-	226,768
Expendable endowment fund	11,931,922	-	-	365,366	-	12,297,288
Revaluation reserve	116,000	-	-	-	-	116,000
Total endowment funds	12,047,922	-	-	365,366	-	12,413,288
Total funds - Parent charity	12,324,360	401,557	(451,277)	365,366	-	12,640,006



17 Analysis of net assets between funds

Group

	Endowment fund 2017 £	Unrestricted fund 2017 £	Total 2017 £	Endowment fund 2016 £	Unrestricted funds 2016 £	Total 2016 £
Fixed assets	11,521,537	-	11,521,537	11,047,582	75,000	11,122,582
Current assets	1,077,009	235,570	1,312,579	1,161,696	201,438	1,363,134
Creditors: amounts falling due within one	(185,258)	(8,802)	(194,060)	(161,356)	-	(161,356)
	12,413,288	226,768	12,640,056	12,640,056	276,438	12,324,360

Analysis of net assets between funds

Parent charity

	Endowment fund 2017 £	Unrestricted fund 2017 £	Total 2017 £	Endowment fund 2016 £	Unrestricted funds 2016 £	Total 2016 £
Fixed assets	12,340,434	-	12,340,434	11,963,972	75,000	12,038,972
Current assets	81,137	235,570	316,707	98,725	209,738	308,463
Creditors: amounts falling due within one	(8,283)	(8,802)	(17,085)	(14,775)	(8,300)	(23,075)
	12,413,288	226,768	12,640,056	12,047,922	276,438	12,324,360