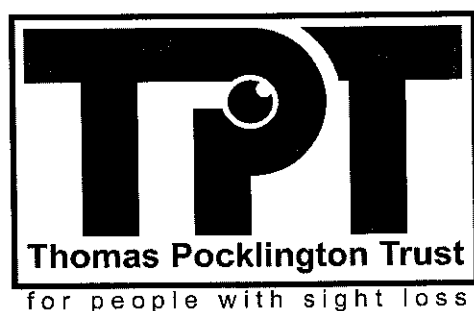


# **Thomas Pocklington Trust Limited**



## **Report and Accounts**

**for the year**

**Ended**

**31 March 2014**

**Registered with the Charity Commission as Thomas Pocklington Trust  
Limited**

**Charity No. 1113729  
Company No. 05359336**

# **Thomas Pocklington Trust Limited**

## **Contents**

	<b>Page</b>
Trustees, Patrons, Senior Management and Advisers	1
Trustees' Annual Report incorporating the Strategic Report	3
Auditor's Report	14
Statement of Financial Activities	16
Income and Expenditure Account	18
Statement of Total Recognised Gains and Losses	18
Balance Sheet	19
Cash flow Statement	20
Notes to the Accounts	21

# **Thomas Pocklington Trust Limited**

## **Trustees, Patrons, Senior Management and Advisers**

### **Board of Trustees**

Rodney Powell – Chairman  
Janet Lewis – Deputy Chair  
Alastair Chapman  
Chris Mairs CBE  
Jenny Pearce  
Robert Perkins  
Mervyn Williamson

### **Patrons**

Pat Powell  
Hon. Jessica White

### **Senior Management Team**

Peter Corbett – Chief Executive  
Phil Ambler – Policy (appointed 1 December 2013)  
Sarah Buchanan – Research  
Simon Curtis – Property  
Susan Huggins, OBE – Strategy and Communications (appointed 1 November 2013)  
Anne Green – Operations (resigned 31 July 2014)  
Sharon Billingham – Operations (appointed 1 August 2014)  
Sylvia Newcombe – Finance (maternity leave from 2 June 2014)  
Alison Oliver - Finance (maternity cover from 22 April 2014)  
Keren Rowlands – Human Resources  
Keith Valentine – Empowerment

### **Registered Office**

Pier House  
90 Strand on the Green  
London W4 3NN

### **Working name**

Thomas Pocklington Trust

# **Thomas Pocklington Trust Limited**

## **Trustees, Patrons, Senior Management and Advisers**

### **Names and Addresses of Principal Professional Advisers**

<b>Bankers</b>	The Co-operative Bank Plc 9 Prescot Street, London. E1 8BE
<b>Accountants and Registered Auditor</b>	Nexia Smith & Williamson 25 Moorgate, London. EC2R 6AY
<b>Solicitors</b>	
Corporate Governance and general matters	Bond Dickinson 4 More London Riverside, London. SE1 2AU
Employment Advisers	Maclay Murray & Spens 10 Foster Lane, London. EC2V 6HR
Property Matters	Russell-Cooke 2 Putney Hill, London. SW15 6AB
<b>Investment Managers</b>	Schroders 31 Gresham Street, London. EC2V 7QA
<b>Property Managers and Advisers</b>	Farebrother 27 Bream's Buildings, London. EC4A 1DZ
<b>Insurance Brokers</b>	Gallagher Heath 89 High Road, South Woodford, London. E18 2RH

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report**

### **for the year ended 31 March 2014**

The Trustees, who are also Directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2014. This Trustees' Report required by Part VI of the Charities Act 1993 also incorporates the Strategic and Directors' Reports prepared in accordance with the Companies Act 2006.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Structure**

Thomas Pocklington Trust Limited is a company limited by guarantee, company number 05359336, registered with the Charity Commission, registration number 1113729. The working name of the company is Thomas Pocklington Trust.

Thomas Pocklington Trust Limited is authorised by the Charity Commission to be the sole Corporate Trustee of The Gift of Thomas Pocklington (The Gift). As 'Corporate Trustee', Thomas Pocklington Trust Limited receives the income generated by the Permanent Endowment (held by The Gift) to carry out the charitable activities in line with the objects set out in its Memorandum and Articles of Association:

- To provide services for the care, welfare and instruction of people of the age of 16 years or over who are visually impaired and in need, either in buildings or institutions owned or managed by the Company, or elsewhere; and
- To undertake research into the advancement of knowledge of the prevention, alleviation and cure of visual impairment and other related problems.

The Board may comprise up to nine Trustees who have legal responsibility for the effective use of resources in accordance with the objectives of Thomas Pocklington Trust, and for providing effective leadership and direction.

Trustees have been appointed to the Board in accordance with the Trustees' selection policy, and taking account of the range of skills required to govern the Charity's business. The recruitment and selection policy provides for various methods of recruitment. A skills audit is conducted periodically to ensure that the Board has the requisite range of skills to carry out its responsibilities.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 10 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Each new Trustee is given an appropriate induction programme and training relevant to his/her responsibility. Trustees are also encouraged to involve themselves in areas of particular interest through close involvement with the management, staff and users of the Charity's services.

The Board of Trustees controls the Charity both directly and through its three sub-committees. The Board meets six times a year, with the Finance Committee, the Services Committee and the Research & Development Committee each meeting three times a year. The terms of reference and composition of the sub-committees are currently being

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

reviewed to ensure they will continue to meet the evolving needs of the charity and its governance requirements.

Trustees delegate responsibility for the day-to-day management of the charity to the Chief Executive.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company 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 company 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that, so far as they are aware, they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

### **MANAGEMENT**

The Trustees are mindful of the guidance contained within the Turnbull Report. They believe that, although this is not mandatory for the Charity, it should, as a public interest body, adopt these guidelines as best practice.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget set by the Trustees

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- delegation of authority and segregation of duties
- identification and management of risks
- a quarterly rolling 2 year cashflow forecast

### **EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PEOPLE**

Management is committed to the greatest practical degree of transparency in its work, and to including employees appropriately in decisions. Communication with employees is ensured through:

- conventional line management
- the Staff Forum
- Trustees' visits
- team briefings
- newsletters and publications
- the Charity's website
- new communications forum

There is direct and formal consultation with employees on issues of concern to them. The Charity has a formal performance appraisal system which has recently been reviewed and updated and will be rolled out in the current financial year.

We do not discriminate in favour of any minority groups and we are accredited as a "Positive about Disability" organisation and particularly welcome applications from people with sight loss and those with other disabilities.

The Charity uses the Investors in People Standard to measure its effectiveness in managing and developing its people.

### **AIMS AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The principal aims of the Charity are to provide services for the welfare of people with sight loss and to carry out and apply research into the prevention, alleviation and cure of sight loss.

The Charity is committed to increasing awareness and understanding of the needs of people with sight loss and to developing and implementing services which meet their needs and improve their lives.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Our services are open to people with sight loss regardless of their economic status, gender, ethnicity, race or religion. Issues about people from ethnic minorities are included within all general projects wherever relevant.

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

*We are here for people with sight loss.*

Our vision is a *world in which people with sight loss can participate fully* and we will work towards this by applying the four new values that we have adopted:

Making a Difference – the lives of people with visual impairments are better because of what we do;

Teamwork – we work collaboratively with all stakeholders;

Respect – we treat people the way we would like to be treated;

Quality – we set clear goals and high standards and work efficiently and effectively to achieve them.

We aim to structure ourselves in a way that enables people with sight loss to have a greater say in the future direction of the charity and scrutiny of its activities.

We aim to manage the charity in a way that ensures our vision and values are at the heart of everything we do and that acknowledges our moral duty, as the only significant endowed charity in the sight loss sector, to do things that others cannot.

The Charity has, therefore, completed a review of its strategy so as to be ready to respond to the dual challenges of an increase in the number of people living with sight loss and the expected changes to the social care economy. This represents a gradual evolution of our strategic thinking which was presented in the previous report. The strategy focuses on:

- operating as a national charity providing services and other initiatives both directly and indirectly through leadership, collaboration and partnership working;
- sharing knowledge and good practice to contribute to the development of the very best outcomes for people with a visual impairment;
- building on the evidence gained through our own research and local vision strategy work and the efforts of others – including, as points of reference, the UK Vision Strategy, Seeing It My Way and the Adult UK Sight Loss Pathway;
- safeguarding our future by refocusing our activities and widening the range of available income sources so as to be in a position to increase funding available to a level greater than our own resources would otherwise allow on their own;
- supporting a greater number of people through collaboration, partnership working and volunteering programmes as well as direct services; and
- monitoring and measuring our performance both quantitatively and qualitatively.



# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

Our objectives are set out below under our 5 strategic aims.

### **Knowledge**

To develop and apply our knowledge and evidence base to improve understanding of visual impairment and its effects on people's lives and to promote opportunities, services or products that may improve the lives of people affected by sight loss by:

- planning, managing and funding, and in other way supporting, professional research that reflects the needs, aspirations and rights of people living with sight loss and has the potential to lead to improvements in their quality of life;
- making best use of the research of other organisations as we seek to enhance our knowledge and evidence base;
- communicating our evidenced findings to key stakeholders and using our acquired knowledge to shape both internal and external activity in the short and long term; and
- supporting research into the needs of people whose voices may not be fully heard e.g. those living in care homes and those with complex needs, to inform the development of services for them.

Our research activities are determined by a policy, approved by the Trustees, which aims to improve the lives of people with sight loss. The policy focuses on social and public health research and has three themes:

- improving social inclusion, independence and quality of life for people with sight loss;
- improving and developing service outcomes for people with sight loss; and
- public health issues, including prevention of blindness and promotion of eye health.

We are committed to publishing and disseminating the outcomes of all research as widely as possible so that the research findings have the maximum opportunity to impact on the lives of people with sight loss.

### **Policy**

To work to influence statutory, private, voluntary and other organisations to develop policies and commission services that meet the needs and rights of people with sight loss by:

- developing clear, evidenced based statements to influence commissioning and policies which promote good practice in addressing the needs, aspirations and rights of people with sight loss;
- promoting the importance of prevention, early detection and effective treatment to deliver the best patient outcomes, in conjunction with key bodies in the health and social care field.
- working with partner organisations on campaigns and programmes of importance to people with sight loss e.g. by spreading local vision strategies across the country and, working with Vision 2020 UK, UK Vision Strategy and Visionary to integrate them into the national picture; and
- working to ensure that the rights of people living with sight loss are recognised and upheld.

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

### **Empowerment**

To develop and deliver programmes and initiatives which enable people with sight loss to lead their lives independently and without barriers by:

- supporting effective programmes that generate sustainable visually impaired led organisations so that the voice of people with sight loss can be heard and their interests championed;
- supporting local community initiatives to mirror the aspirations of national policies at a local level – where people live, work, vote and use services;
- empowering people, either directly or indirectly, to get access to the services they need from the point of diagnosis; rehabilitation services; training; peer networks; social opportunities etc, through supporting the provision of, for example: resource centres, volunteering programmes and local societies; and
- supporting initiatives that generate sustainable routes to economic independence so as to address the issue of disparity between 70% unemployment for those with sight loss as compared to 7% nationally amongst sighted peers.

### **Services**

To adapt existing approaches to service delivery to meet the changing needs of people who use our services and commissioners and develop our own, new approaches which directly address key areas of unmet need by:

- reviewing each of our current services and developing a plan which will ensure they either remain viable for the foreseeable future or transfer safely to an alternative provider;
- working with partners to achieve a significant improvement in the effectiveness and reach of services (from the point of diagnosis) for people living with sight loss;
- investing in the development of new services where gaps exist by piloting innovative approaches; and
- developing effective ways of supporting people with a visual impairment to get access to general needs services – these may include: housing, residential and domiciliary care and support services for those with complex needs.

Where it is appropriate to charge for the services we provide we aim to set our fees, rents and other charges at a level which will cover our direct operating costs and make a contribution to central overheads, an objective which is consistent with our aim of providing quality sustainable services. Due regard is also taken of local authority housing benefit levels when setting rents and service charges so as to ensure that those on low incomes, who are entitled to housing benefit, are able to obtain the full amount to cover these charges. In some housing services we also offer a shared ownership option to help reduce running costs for those who are not entitled to housing benefit because of their financial circumstances.

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report**

### **for the year ended 31 March 2014 (continued)**

#### **Sustainability**

To ensure the charity remains sustainable for the long-term by adapting our activities to our changing environment and, through strong leadership and governance, by:

- ensuring the charity remains sustainable for the long-term by managing our investment portfolio for maximum benefit whilst investing the necessary resources in delivering change and new services; and
- investing in our people to ensure that they have the appropriate skills and leadership to deliver our strategic aims and objectives.

## **STRATEGIC REPORT**

### **ACTIVITIES AND PERFORMANCE**

#### **Financial Performance**

We generated a small surplus of £324k before impairments and other exceptional items, and a deficit of £1.562m after exceptional items but before gains and losses. The impairments of £1,669k related to the write-down of the value of some of the functional properties which sit in the permanent endowment fund.

We generated a surplus of £39.114m after gains and losses in the year. Unrealised gains were mainly driven by a £38m upward revaluation of the investment property portfolio as a result of the significant strengthening of the property market, particularly in London, and an increase of £0.51m in the value of the equity portfolio.

Our total funds are made up of our permanent endowment, restricted funds and unrestricted funds. The permanent endowment is held in functional and investment property assets as well as other investment assets and cannot be used directly to fund operating activities. However, the income generated by these investments is available for use as unrestricted funds and these are used to fund our operating activities. Restricted funds are held for specific purposes.

We monitor the level of unrestricted reserves against the risks identified on our risk register and the anticipated need for change. As at 31 March 2014, we held £3.646m in unrestricted funds, £385k in restricted funds and £153.527m in the permanent endowment with total funds of £157.558m.

We expect further deficits before gains and losses in future years as new activity develops, additional subsidy may be needed in priority areas where no other funding is available and changes arising from public spending cuts need to be introduced sensitively.

#### **Activity Highlights**

During the year we established a "Strategy & Communications" function to provide the relevant guidance and support required in developing and implementing our new strategy. This has also provided a new framework for enhancing our internal and external communications.

## **Thomas Pocklington Trust Limited**

### **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

We have continued to provide housing and support services in several locations in London, the West Midlands and Plymouth as well as providing an Independent Housing Service to assist people with a visual impairment to access general needs housing. We are working closely with all stakeholders to ensure that these services can be adapted where necessary to meet the changing needs of people who use our services and commissioners of those services including local authorities and social housing providers.

We have also continued to provide resource centres, social and educational activities and talking news services from our sites in Balham, South West London, and Stourbridge in the West Midlands – progress of note in the latter includes the development of talking news services in Arabic and Punjabi languages.

We have shared our knowledge base widely through conference and exhibition attendance, research newsletters, launch events, press releases and media interviews and use of social media. We have also continued to invest significantly in research projects in a number of key areas including vision rehabilitation, housing and independent living, personal independence payments, minimum income standards, awareness of sight loss in care homes and access to psychological therapies. We have also continued to build on our past work in key areas including lighting for people with sight loss.

Our Research Findings documents and Good Practice Guides have received excellent feedback from allied health professionals, other charitable organisations and people who are visually impaired and their carers, and our Good Practice Guide for Housing with People with Sight Loss has gone into a third, enlarged edition. Other publications have been produced in association with organisations such as Rica, the consumer research organisation for older disabled people, and have covered topics including energy saving light bulbs and accessible central heating controls. These guides have proved very popular with visually impaired and older people and local sight loss societies.

We continue to work with professional organisations such as the College of Occupational Therapists to ensure that sight loss issues are integrated into their continuing professional development programme. Other professional partners include organisations such as the Stroke Association and Alzheimer's Society, as part of the Dementia and Sight Loss Interest Group, where we collaborate to communicate findings and raise awareness about conditions which co-exist with sight loss.

During the year we established a formal "Policy" function to build on the influencing role carried out by our Research team and harness the emerging results from our vision strategy work to influence statutory, private, voluntary and other organisations to develop policies and commission services that meet the needs and rights of people with sight loss. The results of this function will be reported on separately from the new financial year.

Our Vision Strategy work has continued to be a significant activity during the year. We actively engaged with partners across 32 London boroughs to develop Local Vision Strategies and we are now directly and indirectly influencing improvements in services for blind and partially sighted people living with sight loss across London. We directly consulted with over 1,200 people with further events planned. Beyond this, we communicated with over 3,000 people through invitations to events and other communications. We are now

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

seeing important signs of change as a direct result of partnerships we have set up. Sight loss issues are being discussed and acted upon where they would historically have been sidelined, local residents with sight loss have been able to raise issues directly with commissioners for the first time and organisations are coming together in partnership to work to our shared goals of improving the lives of people with sight loss.

We also continued to work together with other sight loss organisations to widen our reach to visually impaired people. We have actively supported the activities of VISION 2020 UK Ltd., the UK Vision Strategy, and Visionary and have continued to provide leadership and funding for the London Visual Impairment Forum (LVIF - see also [www.lvif.co.uk](http://www.lvif.co.uk)).

We have actively supported the establishment of East London Vision (ELVis – see also [www.eastlondonvision.org](http://www.eastlondonvision.org)) to provide increased services and coordination of activities for visually impaired people living in the 7 east London boroughs and have begun work on a similar project across south east London. Together with partners we are working to ensure that there is effective local society support for visually impaired people across London. We have been planning a similar approach to other areas where we work and since the year end have taken a lead role in the England Implementation Group of the UK Vision Strategy to work with partners to support similar coverage across the whole of England.

Other organisations with which we have actively collaborated during the year include:

- Metro Blind Sports ([www.metroblindsports.org](http://www.metroblindsports.org)),
- ActiveEyes Redbridge ([www.activeeyesredbridge.org.uk](http://www.activeeyesredbridge.org.uk)),
- Waltham Forest Vision ([www.walthamforestvision.org.uk](http://www.walthamforestvision.org.uk)) and
- Sight Action Havering ([www.sightactionhavering.org.uk](http://www.sightactionhavering.org.uk)).

Volunteering continues to be a key part of our work and we are very grateful to the continued contribution and support from our volunteer network. We had over 270 active volunteers working with us on a monthly basis during the year. They contributed 12,888 hours of their time which equates to a value of over £80,000. We also had 60 volunteers from our corporate partners (Farebrothers, Standard Chartered and Rexam) who donated approximately 480 hours of their time. Our volunteers are involved in a number of activities including: delivering activities in our housing and resource centres; befriending services; Link Up activities (participating in activities of shared interest); production of talking newspapers; delivering assistive technology sessions; supporting visually impaired people in their local communities; and delivering IT support. We have also actively supported East London Vision in setting up their volunteering programme.

### **Principal Risks and Uncertainty**

The Trustees have a formal risk management process to assess business risks and view the strategic management of risk as an integral part of their decision making processes, supporting effective planning and evaluation of its activities.

Key areas of current concern include the risks associated with reductions in public spending affecting the renewal of Local Authority contracts for Care and Support; the impact of potential reductions in housing benefit affecting tenants ability to cover their rents and, therefore, an increase in subsidies required; pension scheme liabilities; and potential reputational risk as we address the changes needed to deal with public spending cuts.

## **Thomas Pocklington Trust Limited**

### **Trustees' Annual Report incorporating the Strategic Report for the year ended 31 March 2014 (continued)**

These risks are all actively monitored at Trustee level and by the Senior Management Team. The nature of the risks that relate to changes in the external environment is one of the key reasons the organisation is increasing its involvement at local and national policy level. The Trustees are also focused on ensuring that any changes in the strategy and related programmes help to address these risks and deliver the best outcomes for our beneficiaries.

The risk management process sets out the mitigating controls and processes that have been put in place and the key roles and responsibilities for the management of those processes. The Trustees are, therefore, satisfied that the major risks have been identified and processes for addressing them have been implemented, recognising that any controls and processes cannot provide absolute assurance that risks will be fully mitigated.

#### **Plans for the Future and Achieving our Priorities**

Our strategic aims and our values are part of a plan which is aligned with the UK Vision Strategy, the Seeing It My Way outcomes framework and the UK Adult Sight Loss pathway to reflect the evidenced priority needs of visually impaired people.

Over the next few months we intend to communicate our new strategy to all key stakeholder groups and to consult with them on areas where changes may be needed to ensure that our priorities can be achieved whilst responding to the expected changes to the social care economy – public spending cuts – and the increase in the number of people living with sight loss.

In areas where changes may need to be considered, we will take the time necessary to plan and manage change effectively and sensitively:

- listening to the needs of those we seek to serve, reflecting on what they tell us and incorporating learning, as best we are able, into our future plans;
- making a commitment to all people who use our services to do our best to ensure they continue to receive the support they need – in some areas this may involve establishment of new initiatives to provide the most effective collaborative vehicle to support those living with sight loss;
- taking time to develop strong relationships with current and new partners and volunteers so as to ensure our collective aims and objectives are compatible.

To support the delivery of our strategic aims and objectives we plan to raise the Charity's profile externally. Internally, we will ensure that everyone involved in the Charity's work understands the value of their contribution.

To help monitor the effectiveness and impact of our work we are developing a new balanced scorecard to reflect both qualitative and quantitative measures of performance

To read more about our current and recent research and development projects and details of our housing and resource centres please refer to our website [www.pocklington-trust.org.uk](http://www.pocklington-trust.org.uk).

# **Thomas Pocklington Trust Limited**

## **Trustees' Annual Report incorporating the Strategic Report**

### **for the year ended 31 March 2014 (continued)**

#### **Grant Making Policy**

Proposals for funding externally commissioned research are assessed by our Research team and Research and Development Committee and may involve external peer review and consultation with people with sight loss before approval.

#### **Investment Policy**

The Charity's investment powers are governed by the Memorandum & Articles of Association, which permit the funds to be invested in stocks and unit trusts, freehold land and long leasehold land.

The investment policy was revised following a review of best practice in the charity sector and currently sets out that we seek to achieve a long term overall return of RPI + 4%. This was consistently exceeded in each quarter of 2013/14 on both the property investment portfolio and the equity investment portfolio.

The policy recognises that a significant part of the overall return will be in the form of capital appreciation rather than income.

Broadly, it is expected that the capital value of the permanent endowment will be maintained and modestly enhanced in real terms by a return of RPI + 1% whilst an income return of approximately 3% is targeted to fund ongoing charitable activities. During 2013/14 the capital growth on the property investment portfolio has been disproportionately large due to increasing strength of the London property market.

#### **Reserves Policy**

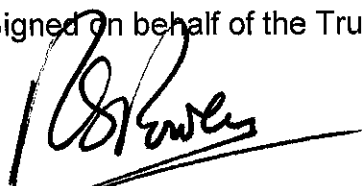
Our reserves are maintained to provide funds to offset any unexpected events which may arise and to provide for major planned events including new developments, major repairs and maintenance and research.

Our reserves policy has been brought into line with the relevant covenants in our borrowing facilities. The policy is to maintain a general reserve equivalent to six months of expenditure which is not covered by contractual income.

The current level of unrestricted reserve is £3.65m, which is sufficient to meet this policy.

Approved by the Trustees on *17th September* 2014

Signed on behalf of the Trustees by:



**R S POWELL, Chairman**

Registered Office:

Pier House, 90 Strand on the Green,  
London W4 3NN

# **Nexia Smith & Williamson**

## **Independent Auditor's Report to the Members of Thomas Pocklington Trust Limited**

We have audited the financial statements of Thomas Pocklington Trust Limited for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 25. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members 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 Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information provided in the Trustees' Annual Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.




# Nexia Smith & Williamson

## Independent Auditor's Report to the Members of Thomas Pocklington Trust Limited (continued)

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Pryor  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY  
15 October 2014

# Thomas Pocklington Trust Limited

## Statement of Financial Activities for the year ended 31 March 2014

		Unrestricted funds	Restricted funds	Permanent endowment	Total funds	Total funds
	Notes	2014	2014	2014	2014	2013
		£'000	£'000	£'000	£'000	£'000
<b>Incoming Resources:</b>						
<b>From generated funds:</b>						
Voluntary income	3	76	28	-	104	102
Investment income	4	4,247	2	-	4,249	4,161
		<u>4,323</u>	<u>30</u>	<u>-</u>	<u>4,353</u>	<u>4,263</u>
<b>From charitable activities:</b>						
Fees, rent, grants and other service income	5	4,071	71	-	4,142	5,276
<b>Total incoming resources</b>		<u>8,394</u>	<u>101</u>	<u>-</u>	<u>8,495</u>	<u>9,539</u>
<b>Resources Expended:</b>						
<b>Cost of generating funds:</b>						
Investment costs	6	1,226	-	55	1,281	1,084
<b>Cost of charitable activities:</b>						
Support services	7					
Normal expenditure		4,724	168	138	5,030	6,363
Exceptional items		217	-	1,669	1,886	1,234
Total		<u>4,941</u>	<u>168</u>	<u>1,807</u>	<u>6,916</u>	<u>7,597</u>
Empowerment	7	784	-	-	784	430
Research and development	7,8	860	-	-	860	685
		<u>6,585</u>	<u>168</u>	<u>1,807</u>	<u>8,560</u>	<u>8,712</u>
Finance costs		82	-	52	134	74
Governance costs	9	43	-	39	82	77
<b>Total resources expended</b>		<u>7,936</u>	<u>168</u>	<u>1,953</u>	<u>10,057</u>	<u>9,947</u>
<b>Net incoming / (outgoing) resources for the year before transfers</b>						
		<u>458</u>	<u>(67)</u>	<u>(1,953)</u>	<u>(1,562)</u>	<u>(408)</u>

**Thomas Pocklington Trust Limited**  
**Statement of Financial Activities for the year ended 31 March 2014**  
**(continued)**

		Unrestricted funds	Restricted funds	Permanent endowment	Total funds	Total funds
	Notes	2014	2014	2014	2014	2013
		£'000	£'000	£'000	£'000	£'000
<b>Net incoming / (outgoing) resources for the year before transfers</b>						
Before exceptional items		675	(67)	(284)	324	1,642
Exceptional items	7	(217)	-	(1,669)	(1,886)	(1,234)
<b>Total</b>		<b>458</b>	<b>(67)</b>	<b>(1,953)</b>	<b>(1,562)</b>	<b>(408)</b>
<b>Other recognised gains and losses:</b>						
Realised (losses)/gains on:						
Fixed assets		-	-	(249)	(249)	(4)
Investment assets		-	-	218	218	309
Unrealised gains / (losses) on:						
Fixed assets		-	-	2,510	2,510	-
Investment assets		155	-	38,042	38,197	12,263
<b>Net movement in funds</b>		<b>613</b>	<b>(67)</b>	<b>38,568</b>	<b>39,114</b>	<b>12,160</b>
Balance at 1 April 2013		3,033	452	114,959	118,444	106,284
<b>Balance at 31 March 2014</b>		<b>3,646</b>	<b>385</b>	<b>153,527</b>	<b>157,558</b>	<b>118,444</b>

The financial statements for the current period include the results of both the Thomas Pocklington Trust Charity and the Permanent Endowment Fund of the Gift of Thomas Pocklington, which are combined for reporting purposes under the uniting direction issued by the Charities Commission on 2 May 2006.

All the Charity's operations are classed as continuing.

The comparatives have been restated to show empowerment as a separate charitable activity; in the 2013 accounts, the costs of this activity were subsumed within the housing and support activities. In addition, the depreciation of functional properties (£137,000) was included as a cost of generating funds; for 2014 the depreciation is treated as part of charitable activities; support costs (2014: £133,000, 2013: £13,000) have been allocated to investment management activities; the comparatives have been amended to be consistent.

The notes on pages 21 to 34 form part of these accounts.

# Thomas Pocklington Trust Limited

## Income and Expenditure Account for the year ended 31 March 2014

	2014	2013
	£'000	£'000
Total incoming resources	8,495	9,539
Total resources expended (excluding interest)		
Normal expenditure	(8,037)	(8,639)
Exceptional items (note 7)	(1,886)	(1,234)
	(9,923)	(9,873)
Operating surplus / (deficit)		
Before exceptional items	458	1,568
Exceptional items (note 7)	(1,886)	(1,234)
	(1,428)	(334)
Interest payable	(134)	(74)
Realised gains/(losses) on fixed and investment assets	(31)	305
<b>Net deficit for the year</b>	<b>(1,593)</b>	<b>(103)</b>

The notes on pages 21 to 34 form part of these accounts.

## Statement of Total Recognised Gains and Losses for the year ended 31 March 2014

	2014	2013
	£'000	£'000
(Deficit) for the year	(1,593)	(103)
Unrealised gains on fixed and investment assets	40,707	12,263
<b>Total gains and losses recognised since the last annual report and accounts</b>	<b>39,114</b>	<b>12,160</b>

The notes on pages 21 to 34 form part of these accounts.

# Thomas Pocklington Trust Limited

## Balance Sheet as at 31 March 2014

	Notes	Unrestricted funds £'000	Restricted funds £'000	Permanent endowment £'000	Total funds 2014 £'000	Total funds 2013 £'000
<b>Fixed assets:</b>						
Tangible assets	13	63	-	15,193	15,256	14,573
Investments	14	6,877	214	141,920	149,011	110,820
		<u>6,940</u>	<u>214</u>	<u>157,113</u>	<u>164,267</u>	<u>125,393</u>
<b>Current assets:</b>						
Debtors	17	575	-	-	575	480
Cash at bank and in hand		140	183	-	323	889
		<u>715</u>	<u>183</u>	<u>-</u>	<u>898</u>	<u>1,369</u>
<b>Creditors – amounts falling due within one year</b>	18	(1,703)	(12)	(321)	(2,036)	(2,545)
<b>Net current (liabilities) / assets</b>		<u>(988)</u>	<u>171</u>	<u>(321)</u>	<u>(1,138)</u>	<u>(1,176)</u>
<b>Total assets less current assets</b>		5,952	385	156,792	163,129	124,217
<b>Creditors - amounts falling due after one year</b>	19	(2,306)	-	(3,265)	(5,571)	(5,773)
<b>Net assets</b>		<u><u>3,646</u></u>	<u><u>385</u></u>	<u><u>153,527</u></u>	<u><u>157,558</u></u>	<u><u>118,444</u></u>
<b>Represented by:</b>						
Unrestricted funds	20	3,646	-	-	3,646	3,033
Restricted funds	20	-	385	-	385	452
Permanent endowment funds	20	-	-	153,527	153,527	114,959
<b>Total funds</b>		<u><u>3,646</u></u>	<u><u>385</u></u>	<u><u>153,527</u></u>	<u><u>157,558</u></u>	<u><u>118,444</u></u>

These financial statements were approved by the Trustees on  
were signed on their behalf by:

17th September 2014 and

  
R S Powell  
Director

Company registered number: 05359336

The notes on pages 21 to 34 form part of these accounts.

# Thomas Pocklington Trust Limited

## Cashflow Statement For The Year Ended 31 March 2014

	£'000	2014 £'000	£'000	2013 £'000
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>				
Net (outgoing) resources for the year		(1,562)		(408)
Depreciation		169		188
Impairment		1,669		-
Interest payable		68		-
(Increase)/decrease in debtors		(95)		825
(Decrease)/increase in creditors due within less than one year		(562)		692
(Decrease)/increase in creditors falling due after more than one year		(55)		579
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(368)</b>		<b>1,876</b>
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	(260)		(60)	
Receipts from sales of tangible fixed assets	-		862	
Payments to acquire fixed asset investments	(760)		(3,338)	
Receipts from sales of fixed asset investments	2,050		1,711	
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>		<b>1,030</b>		<b>(825)</b>
<b>Net cash inflow before financing</b>		<b>662</b>		<b>1,051</b>
<b>Financing</b>				
Repayment of loan		(143)		(141)
<b>Net cash inflow (note 21)</b>		<b>519</b>		<b>910</b>

The 2013 provisions for pension deficits and the closure costs (see note 7) are non-cash transactions for the year ended 31 March 2013; there were no such non-cash items in the current year.

The notes on pages 21 to 34 form part of these accounts.

# **Thomas Pocklington Trust Limited**

## **Notes to the Accounts for the year ended 31 March 2014**

### **1. Accounting Policies**

#### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets), in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2008, applicable accounting standards and the Companies Act 2006. The financial statements include the results of the Charity's operations, all of which are continuing.

In accordance with the SORP, income from endowment funds and other investments, which is used to fund operations, is disclosed as operating in the cash flow statement. The financial statements include the results of both the Thomas Pocklington Trust Charity and the Permanent Endowment Fund of the Gift of Thomas Pocklington, which are combined for reporting purposes under the uniting direction issued by the Charities Commission on the 2 May 2006.

#### **Fixed Assets – Charitable Use**

Freehold functional properties are stated at open market value on an existing use basis. Depreciation is provided at 1% per annum (2013: 1%).

Furniture and equipment and motor vehicles are stated at cost. Depreciation is provided on a straight-line basis as follows:

Furniture and equipment	25% per annum
Motor vehicles	25% per annum

Only assets having a cost in excess of £5,000 are capitalised.

#### **Investments**

Investments in listed securities are stated at market value. Gains or losses arising on revaluation are credited or charged to the fund to which the investments belong.

Investment properties are stated at open market value. It is the Trustees' practice to have approximately one third of the properties, on a rolling basis, externally revalued each year with the remainder being subject to a Trustees' valuation. No depreciation is provided on these properties. External valuations are undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual; inputs to the valuations include rental yields where the properties are tenanted and sales values of comparable properties. The results of these external valuations are used by the Trustees in undertaking their valuations.

Works to properties are capitalised when the work is expected to increase the value of the property. The cost of such work is charged to the permanent endowment fund. The cost of other work is treated as a repair cost and is set against the rental income and is thus charged to the unrestricted fund.

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

### 1. Accounting Policies (continued)

#### **Realised and Unrealised Gains and Losses on Investment Assets**

Realised gains and losses on investment disposals have been calculated as the difference between net sale proceeds and the market value at the beginning of the year, or cost if purchased during the financial period.

Unrealised gains and losses on investments and tangible fixed assets have been calculated as the difference between the current and preceding valuations.

#### **Incoming Resources**

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount quantified with reasonable accuracy. Incoming resources from permanent endowment funds are unrestricted.

The following specific policies apply to categories of income:

- **Voluntary income**  
All voluntary income is recognised as soon as it is received. Gifts in kind are stated at Trustees' valuation.
- **Investment income**  
Dividends, bank interest and rent are recognised on a receivable basis.
- **Fees, rent, grants and other income**  
All income from fees for residential care, rents for supported housing, home care charges and day centre income is recognised as soon as it becomes due to the Charity. Grants receivable are accounted for on an accruals basis.

#### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category.

- **Costs of generating funds**  
Investment costs are those incurred in managing, maintaining and repairing investment properties along with investment management fees.
- **Costs of charitable activities**  
Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objectives of the Charity, including the costs of disseminating information in support of charitable activities. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads. Research and development costs are accounted for on an accruals basis and are recognised at the point an obligation has been established.
- **Governance costs**  
These comprise all costs identified as wholly or mainly attributable to the public accountability of the Charity and its compliance with regulation.



# **Thomas Pocklington Trust Limited**

## **Notes to the Accounts for the year ended 31 March 2014 (continued)**

### **1. Accounting Policies (continued)**

#### **Value added tax**

Value added tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Financial Activities.

#### **Taxation**

No provision has been made for Corporation Tax or deferred tax as the entity is a registered charity and is therefore exempt from corporation tax on its charitable activities.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

#### **Pension – SHPS scheme**

Thomas Pocklington Trust participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme. The estimated net present value of any additional contributions specified by the actuary as payable by the Trust to remedy past funding shortfalls is recognised as a liability. The unwinding of the discount is recorded as a cost of charitable activities in the Statement of Financial Activities.

#### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

### **2. Fund Accounting**

#### **Permanent Endowment**

The Charity was established by a Charity Commissioners' Scheme incorporating the terms of the bequest from Thomas Pocklington, who died in 1935. He left the majority of his estate to provide for the care, welfare and instruction of people who are blind or partially sighted, and directed that the bequest should be used as permanent capital to support these activities. As stipulated in Thomas Pocklington's will, the assets comprising the bequest were transferred to the Charity in 1958 and formed the basis of its permanent endowment. The assets are invested in investment property, securities or, with Charity Commission consent, in properties occupied by our service users.

#### **Restricted Funds**

The Trustees have established amenities funds at five of the centres to which are credited any gifts or legacies given for the benefit of the residents and tenants. Each amenity fund is accounted for separately. The restricted funds are all held in the form of equipment and money on deposit or in current accounts.

Other income which is restricted as to its use is allocated to a separate fund and only expenditure within the restriction is charged to the fund.

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

### 2. Fund Accounting (continued)

#### General Funds

The remainder of the Charity's funds are unrestricted funds, which provide the Charity's reserves and monies available for the general purposes of the Charity.

3. Voluntary Income	2014 £'000	2013 £'000
<b>Unrestricted Funds</b>		
Donations	70	11
Other income	6	-
	<u>76</u>	<u>11</u>
<b>Restricted Funds</b>		
Amenity income	1	23
Donations	11	57
Other income	16	11
	<u>28</u>	<u>91</u>

4. Investment Income	£'000	£'000
<b>Unrestricted Funds</b>		
Gross rents receivable - UK Properties	4,074	3,943
Dividends and interest on investments	173	214
	<u>4,247</u>	<u>4,157</u>
<b>Restricted Funds</b>		
Dividends and interest on investments	2	4
	<u>2</u>	<u>4</u>

5. Incoming Resources From Charitable Activities	£'000	£'000
<b>Unrestricted Funds</b>		
Fees for residential care	-	845
Supported Housing	2,943	2,953
Care	670	988
Service level agreements	253	245
Catering income	171	178
Other income	13	8
Grants receivable	21	-
	<u>4,071</u>	<u>5,217</u>
<b>Restricted Funds</b>		
Grants receivable	7	9
Lottery grant	64	50
	<u>71</u>	<u>59</u>

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

6. Investment Costs	2014 £'000	2013 £'000
<b>Unrestricted funds</b>		
Investment property costs	981	1,055
Staff costs (including recruitment and training)	107	-
Service costs	1	-
Office costs	4	-
Support costs	133	13
	<u>1,226</u>	<u>1,068</u>

<b>Permanent endowment fund</b>	
Investment management costs	<u>55</u>

7. Charitable Activities	Direct costs £'000	Support costs £'000	Total £'000
<b>Year ended 31 March 2014</b>			
Support services	6,396	524	6,920
Empowerment	713	71	784
Knowledge (research and development - note 8)	786	74	860
	<u>7,895</u>	<u>669</u>	<u>8,564</u>

<b>Year ended 31 March 2013</b>			
Support services	6,902	695	7,597
Empowerment	412	18	430
Knowledge (research and development - note 8)	626	59	685
	<u>7,940</u>	<u>772</u>	<u>8,712</u>

Support costs	2014 £'000	2013 £'000
Finance	406	409
Human resources	215	227
Office services	181	149
	<u>802</u>	<u>785</u>
<b>Allocated to:</b>		
Charitable activities	669	772
Investment costs	133	13
	<u>802</u>	<u>785</u>

Support costs are allocated to investment costs and charitable activities based on the estimated time spend by each relevant member of staff.

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

### 7. Charitable Activities (continued)

Analysis of Expenditure	2014 £'000	2013 £'000
<b>Unrestricted Funds</b>		
Staff costs (including recruitment and training)	2,911	4,573
Catering	302	357
Household costs	102	131
Utilities	367	420
Service costs	546	376
Transport and travel	98	102
Office costs	204	318
Repairs and renewals	419	510
Buildings, equipment, depreciation and impairment	2,428	665
Transitional costs	217	483
Knowledge (research and development)	688	626
Other costs	278	151
	<b>8,560</b>	<b>8,712</b>

The above costs include:

Exceptional costs – support services	£'000	£'000
Impairment of fixed assets (permanent endowment)	1,669	-
Subsidy for former Pocklington House residents' future fees	217	-
Closure costs – Pocklington House	-	460
Increase in pension scheme provision	-	774
	<b>1,886</b>	<b>1,234</b>

The impairment of fixed assets reflects the results of valuations undertaken in the year – see note 13.

### 8. Knowledge (research and development)

Included in the unrestricted funds expenses under knowledge (research and development costs) are institutional research grants payable of £449,000 (2013: £424,000). The institutional research grants relate to research into how to prevent avoidable sight loss and how to provide the most effective support to alleviate sight loss.

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

9. Governance costs	2014 £'000	2013 £'000
<b>Unrestricted Funds</b>		
External auditor's fees	27	30
Other service provided by external auditors	5	7
Professional fees	4	10
Trustees' expenses (note 10)	2	1
Meeting expenses	5	7
	<u>43</u>	<u>55</u>

<b>Endowment funds</b>		
Property valuation fees	<u>39</u>	<u>22</u>

### 10. Expenses paid to trustees

	£	£
Travel expenses paid to four (2013: three) Trustees	<u>2</u>	<u>1</u>

No trustee received any remuneration (2013: £nil).

### 11. Senior staff

The number of employees receiving emoluments above £60,000 were:

	Number	Number
£60,000 - £70,000	4	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>5</u>	<u>3</u>

### 12. Officers and employees

	Headcount	Headcount
Average number of persons employed by the Charity was:	<u>152</u>	<u>201</u>

	£'000	£'000
The costs incurred in respect of employees were as follows:		
Salaries	2,526	3,000
National insurance	207	223
Pension contributions	78	54
Additional liability arising on the pension deficit	-	774
Health insurance	5	5
	<u>2,816</u>	<u>4,056</u>

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

### 13. Tangible fixed assets - charitable use

	Permanent endowment	Unrestricted Funds		Restricted funds	Total
	Freehold functional property £'000	Freehold land £'000	Furniture, equipment & motor vehicles £'000	Furniture, equipment and motor vehicles £'000	Total £'000
<b>Cost/valuation</b>					
At 1 April 2013	21,968	10	258	53	22,289
Additions	260	-	-	-	260
Disposals	(995)	-	-	(32)	(1,027)
Revaluations	2,506	-	-	-	2,506
At 31 March 2014	23,739	10	258	21	24,028
<b>Depreciation</b>					
At 1 April 2013	7,489	-	176	51	7,716
Charge	138	-	29	2	169
Disposals	(750)	-	-	(32)	(782)
Impairments	1,669	-	-	-	1,669
At 31 March 2014	8,546	-	205	21	8,772
<b>Net book value at 31 March 2014</b>	<b>15,193</b>	<b>10</b>	<b>53</b>	<b>-</b>	<b>15,256</b>
Net book value at 31 March 2013	14,479	10	82	2	14,573
<b>Historic cost at 31 March 2014</b>	<b>11,427</b>	<b>10</b>	<b>53</b>	<b>-</b>	<b>11,490</b>

The freehold functional properties, Pocklington Rise, Pocklington Lodge and Pocklington Court were valued as at 31 March 2014 by the trustees on an existing use basis – social housing, having had due regard to professional valuations undertaken by Savills (UK) Limited.

The property, Pocklington House, is no longer in use and is expected to be sold in the near future. This property was valued by the trustees, based on professional advice received relating to the expected net sale proceeds.

# Thomas Pocklington Trust Limited

Notes to the Accounts for the year ended 31 March 2014 (continued)

## 14. Fixed Asset Investments

	Permanent endowment		Unrestricted funds	Restricted funds	Total funds
	UK investment properties	Listed and unquoted investments and cash	Listed and unquoted investments and cash	Cash	Total funds
	£'000	£'000	£'000	£'000	£'000
<b>Market value at 1 April 2013</b>	98,977	5,607	6,025	211	110,820
Disposals	(1,644)	-	-	-	(1,644)
Additions	670	68	95	3	836
Gain and losses on revaluation	37,687	355	155	-	38,197
Movement in cash held as part of investment portfolio	-	200	602	-	802
<b>Market value at 31 March 2014</b>	<b>135,690</b>	<b>6,230</b>	<b>6,877</b>	<b>214</b>	<b>149,011</b>
<b>Historic cost at 31 March 2014</b>	<b>10,779</b>	<b>5,106</b>	<b>6,025</b>	<b>214</b>	<b>22,124</b>

In accordance with the Trustees' policy of valuing externally the investment properties on a rolling basis over three years, 28 (2013: 27) properties, many combining both commercial and residential usage and comprising more than one letting unit, were revalued out of a total of 96 (2013: 106) properties. All properties were valued by Brendons Surveyors, London with the exception of 56 Princedale Road W11 4NL and 56 St James's Gardens W11 4RA which were valued by Savills. The valuations are at market value and were prepared on an existing use basis having due regard to the tenure, tenancy and condition recorded during the course of visits to the relevant properties. The effective date of the valuations noted above was 31 March 2014.

Properties not subject to formal valuation by firms of Chartered Surveyors were valued by the trustees.

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014

### 15. Investment Ranges

	Permanent endowment	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000	£'000
<b>Market value at 31 March 2014</b>				
Listed investments	3,332	1,473	-	4,805
Unlisted Investments	1,208	21	-	1,229
Cash	1,690	5,383	214	7,287
	<b>6,230</b>	<b>6,877</b>	<b>214</b>	<b>13,321</b>

### Market value at 31 March 2013

Listed investments	2,690	1,321	-	4,011
Unlisted investments	1,659	21	-	1,680
Cash	1,258	4,683	211	6,152
	<b>5,607</b>	<b>6,025</b>	<b>211</b>	<b>11,843</b>

### 16. Direct and indirect investments

	Permanent endowment	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000	£'000
<b>Market value at 31 March 2014</b>				
Direct investments	15	21	-	36
Indirect investments	4,525	1,473	-	5,998
Cash	1,690	5,383	214	7,287
	<b>6,230</b>	<b>6,877</b>	<b>214</b>	<b>13,321</b>

### Market value at 31 March 2013

Direct investments	16	21	-	37
Indirect investments	4,333	1,321	-	5,654
Cash	1,258	4,683	211	6,152
	<b>5,607</b>	<b>6,025</b>	<b>211</b>	<b>11,843</b>

The following non-cash investments represent greater than 5% of the Trust's total investments (excluding investment properties):

Schroder Income Fund	£1,163,144
Schroder QEP Global Active Value Fund	£760,658
Schroder Private Equity Funds	£912,781



# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

17. Debtors	2014 £'000	2013 £'000
Trade debtors	347	296
Accrued income	56	72
Other debtors – unrestricted	36	4
Prepayments	136	108
	<u>575</u>	<u>480</u>

### 18. Creditors: Amounts falling due within one year

	£'000	£'000
Bank loan – permanent endowment	146	143
Bank overdraft – permanent endowment	49	-
Trade creditors – unrestricted	195	211
Trade creditors – permanent endowment	63	14
Deferred income	294	422
Other taxes and social security	70	70
Other creditors	320	541
Research commitments	396	500
Accruals – unrestricted	199	266
Accruals – restricted	12	-
Accruals – permanent endowment	63	149
Pension liability (note 22)	229	229
	<u>2,036</u>	<u>2,545</u>

The bank loan is secured against two properties.

### 19. Creditors: Amounts falling due after more than one year

	£'000	£'000
Bank loan – permanent endowment	3,265	3,412
Pension liability (note 22)	1,928	2,087
Sinking funds	378	274
	<u>5,571</u>	<u>5,773</u>

The bank loan, which bears interest at a rate of 1% above the bank base rate, is repayable by monthly instalments as follows:

	£'000	£'000
Within 1 year	146	143
Within 1 to 2 years	148	145
Within 2 to 5 years	457	450
After more than 5 years	2,660	2,817
	<u>3,411</u>	<u>3,555</u>

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

### 20. Reconciliation Of Funds

	Unrestricted funds £'000	Restricted funds £'000	Permanent endowment £'000	Total funds £'000
1 April 2013	3,033	452	114,959	118,444
Net incoming/(outgoing) resources for the year before transfers	458	(67)	(1,953)	(1,562)
Realised gains	-	-	(31)	(31)
Unrealised gains	155	-	40,552	40,707
Balance at 31 March 2014	<b>3,646</b>	<b>385</b>	<b>153,527</b>	<b>157,558</b>

The restricted fund contains, within the net incomings of resources, a £1,857 surplus of lottery funds (2013: £11,436).

### 21. Reconciliation of net cash flow to movement in net funds

	£'000	2014 £'000	£'000	2013 £'000
<b>Net funds at 1 April 2013</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	889		610	
Cash held as short-term investments	6,152		5,521	
Bank loan	(3,555)		(3,696)	
		3,486		2,435
<b>Net funds at 31 March 2014</b>				
Cash at bank and in hand	322		889	
Cash held as short-term investments	7,286		6,152	
Bank overdraft	(49)		-	
Bank loan	(3,411)		(3,555)	
		4,148		3,486
<b>Movement in net funds</b>				
Cash at bank and in hand	(566)		279	
Cash held as short-term investments	1,134		631	
Bank overdraft	(49)		-	
	519		910	
Bank loan	143		141	
<b>Net cash flow</b>		<b>662</b>		<b>1,051</b>

# **Thomas Pocklington Trust Limited**

## **Notes to the Accounts for the year ended 31 March 2014 (continued)**

### **22. Pension Scheme**

#### Social Housing Pension Scheme

Thomas Pocklington Trust participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee, the Pensions Trust, commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme's assets at the date of the Actuarial Report was £2,718 million. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,151 million, equivalent to a past service funding level of 70%.

As a result of the deficit, under the rule of the scheme, the employer is obliged to contribute additional deficit contributions to the scheme over the next 13 (2013 – 14) years. As described in the accounting policy in note 1, full provision has been made for these deficit contributions.

The total employer's pension contributions to the scheme for the year were £251,000 (2013: £242,000), comprising normal contributions of £78,000 (2013 - £54,000) and deficit contributions of £173,000 (2013 - £188,000). No amounts were outstanding at 31 March 2014 (2013: £nil). The amount recognised in the income and expenditure account was £78,000 (£54,000) in respect of normal contributions and £nil (2013 - £174,000) relating to the increase the provision for the deficit funding.

#### Growth Plan

Historically, the Pensions Trust's Growth Plan (the Plan) was the main pension scheme offered by Thomas Pocklington Trust. The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme; the assets are co-mingled for investment purposes and benefits are paid out of the Plan's total assets.

# Thomas Pocklington Trust Limited

## Notes to the Accounts for the year ended 31 March 2014 (continued)

### 22. Pension Scheme - continued

The valuation results at 30 September 2011 were completed in 2013. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

As a result of the deficit, under the rule of the scheme, the employer is obliged to contribute additional deficit contributions to the scheme over the next 9 (2013 – 10) years. Full provision has been made for these deficit contributions.

The employer's deficit contributions to the scheme for the year were £55,000 (2013: £nil); there were no normal contributions. No amounts were outstanding at 31 March 2014 (2013: £nil). The amount recognised in the income and expenditure account was £nil (2013 - £600,000) relating to increase the provision for the deficit funding.

### 23. Capital Commitments

There were no capital commitments un-provided for at the year-end date.

### 24. Operating Lease Commitments

At the year end, Thomas Pocklington Trust was committed to make the following annual commitments in respect of operating leases which expire:

	<b>2014</b>	<b>2013</b>
	<b>Land &amp; buildings</b>	<b>Land &amp; buildings</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less	-	-
Within 2 to 5 years	70	72
	<hr/>	<hr/>

### 25. Related Parties

Included in the Statement of Financial Activities is an amount of £60,000 (2013: £nil) for funding to East London Vision, a charity, where Peter Corbett is a Trustee. At the year end, a balance of £34,541 (2013: £nil) is included in other creditors.