



NATIONAL GROCERS BENEVOLENT FUND, trading as CARAVAN

A Company Limited by Guarantee  
Registered Charity

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2007

Charity Registration Number 1095897  
Company Registered in England and Wales Number 4620683

Registered Office and Principal Address:

2 Lakeside Business Park,  
Swan Lane,  
Sandhurst Berks  
GU47 9DN

**NATIONAL GROCERS BENEVOLENT FUND, trading as CARAVAN**  
**(a company limited by guarantee)**

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<b><u>Contents</u></b>	<b><u>Page</u></b>
Legal and administrative information	1
Caravan Strategic Goals	2
Trustees Report	3-7
Independent auditors' report	8-9
Statement of trustees' responsibilities	10
Statement of Financial Activities (including Income and Expenditure Account)	11
Balance Sheets	12
Notes forming part of the financial statements	13-21

## **CARAVAN STRATEGIC GOALS**

### Our vision

To be the heart and soul of the food and grocery industry by owning and driving the welfare agenda, working with others to create and facilitate a better future for the industry and the people within it.

### Our mission

Working to eradicate hardship both now and in the future, by becoming the industry welfare expert responsible for informing and advising individuals at all levels of their moral obligation to come together, get involved and help find a solution

### The objects of the charity

The relief of necessitous persons, who are or have been engaged in the grocery or provisions trade, greengrocers and the off-licence trade, in any capacity, and for the relief of necessitous widows, widowers and their dependent children.

To undertake any other charitable purpose

### Our short term targets

To continue to raise at least £1.5m per annum through local and central fundraising

To increase our beneficiary base by 100 per annum

To make contact with each beneficiary at least once per year

To implement the output from the Caravan Welfare Strategy Group

To continue to build awareness within the industry and the charity world of the work that we do

### Our long term objectives

To grow in line with our commitments

To work collaboratively, wherever possible, with other benevolent societies in our sector

To work with other interested parties on pensions/savings issues

To find other income streams.

## **CARAVAN TRUSTEE REPORT 2007**

### **Who We Are**

Caravan is the trading name of the National Grocer's Benevolent Fund, a company limited by guarantee, (incorporated on 18<sup>th</sup> December 2002) registered in England and Wales no. 4620683 and a registered charity no. 1095897. Under recent new guidelines the charity has now applied for registration in Scotland. The principal and registered office for Caravan is 2 Lakeside Business Park, Swan Lane, Sandhurst, Berkshire GU47 9DN. Caravan is a long established benevolent fund and can trace its origins back to 1857.

### **How the charity operates**

The charity is run by 13 serving charity trustees who are also directors and members of the limited company. In that capacity they select new members of the Board of Trustees. Trustees serve for a three year period and may be re-elected to serve for further three year periods. All charity trustees have signed an 'Eligibility to Serve' declaration form, a declaration of any Conflicts of Interest and completed an enhanced Criminal Records Bureau application. All new trustees have a formal induction that covers the role of the charity and what is expected of them in their role as Caravan trustees. The possible existence of conflicts of interest is considered prior to the start of every meeting of the Board of Trustees. Following a routine review by the board of trustee skills it was felt that new trustees with skills in communications and fund raising should be sought. Two senior industry executives were identified and approached and I am delighted that both Mr David Hudson and Mr John Black joined the Trustee board during this past year on 14<sup>th</sup> June 2006 and 15<sup>th</sup> February 2007 respectively. This now brings the number of serving trustees to thirteen which is in line with the charity's articles of association rule 29 (The Make-up of the Board of Trustees). Trustee training, in conjunction with a quarterly review of various Charity Commission reports, helps ensure that the Trustee board is kept up to speed on issues relevant to the safe running of the charity.

The Trustees meet every quarter to discuss and review both the day to day operations and the strategic direction of the charity. Mrs Gillian Barker, appointed by the trustees as Director General, continues to manage the day to day operations of the charity. Gillian reports to the quarterly trustee meetings and contributes to the discussions in an advisory capacity. Her senior direct reports are Mrs Sue Beaumont, Director of Welfare, Mrs Cathy Mercer, Development Director, Mr Robin Bateman, Company Secretary and Office Manager and Mrs Renatha Fourie, Events and Communications Executive.

Various trustees and industry colleagues sit on four main charity sub-committees covering welfare, welfare strategy, finance and fundraising. These committees update the Trustee board on new plans and initiatives. Formal terms of reference exist for these committees and these are set out in the Caravan Policy Document, which is reviewed and updated annually. This document also contains various processes and procedures to ensure that we have appropriate controls in place for the effective and efficient operation of the charity. Copies are held at the Caravan office in Sandhurst.

## **Where Our Income Comes From**

Caravan has three main income sources: fundraising £1,100,698 (2005/6: £ 1,307,181), donations (including legacies) £392,623 (2005/6: £ 266,551) and £279,103 from investment income, (2005/6: £ 239,371). The make up of our fund raising income is detailed on page 17 and you can see where our donations come from on page 16 The total net income raised during 2006/07 is shown on page 11. We continue to seek additional donations for the fund as this is our most cost effective way of raising money. During 2006/07 a consultant provided the services of an Income Generation Manager whose remit was to secure funding from trust funds and donations from companies not currently supporting the charity.

## **How We Spend This Money**

The £1,772,424 raised during 2006/07 has been spent as follows:

During this year our welfare spend rose to £1.5m, an increase of 20% on the previous year. In June we were able to increase the annual amount given to our beneficiaries by £52 to £726 per annum and also provided them with a Christmas bonus of £50. The vast majority of our beneficiaries have little or no savings, so we are also able to supply them with new household appliances where necessary. We also supply electrically powered wheelchairs, bath lifts and other mobility items. We receive many hundreds of letters throughout the year from our beneficiaries thanking the charity for making a real difference to their lives. We also send out quarterly news letters, birthday cards and Christmas cards. People are eligible for support from Caravan if they have worked in the grocery industry either full time or part time, for at least ten years and are able to demonstrate a degree of financial hardship. On application one of the Caravan welfare assessors will visit the applicant to assess their eligibility on an individual basis. Expenditure on welfare accounts for 87% of our total expenditure budget.

£145,000 was spent during the year on developing and raising awareness within our industry. This covers all our trade and media advertising, the Caravan web site and local advertising at various fund raising events. Staff salaries are also included in this figure. As the industry continues to contract it has become increasingly important that Caravan's voice is heard above other cries for assistance. Our plans are to further strengthen this work.

The increase in governance costs (which includes an allocation of office overheads) is a reflection of the onus on the charity to ensure we conform to all current legislation relating to the Charity Commission and to Company law.

## **Our Risk Policy**

As trustees we monitor progress against our short term and long term objectives at our quarterly trustee meetings. We have a risk assessment procedure in place that seeks to identify any major risks to which the charity may be exposed and that may affect the realisation of these goals. This is regularly reviewed and we can confirm systems are in place to mitigate those risks. This analysis forms part of our Policy Document.

Our major concern continues to be the polarisation within our industry and the implications that this has on our fundraising efforts.

## **Our Investment Policy**

In accordance with the charity's articles of association rule 41, the trustees are empowered to invest any money that the charity does not immediately need in any investments, securities or properties. In addition to our property investment in the Caravan office building our funds continue to be invested with the Charities Aid Foundation, with 60% of funds invested in the CAF Equity Growth Fund and 40% invested in the CAF Bond Income Fund. This investment profile is seen as medium risk and totally consistent with our investment strategy. It also mirrors the majority of other UK charity investment profiles. The investment managers worked towards an agreed return (net of inflation) of 8.5% on equities, 4.2% on bonds. During the year under review we achieved 7.4% and -2.8% respectively. This is primarily attributable to the frequent and high rises in interest rates in the UK. It should also be borne in mind that the CAF forecasts are based on the London Business School's long term projections and as they use a 20 year period naturally there will be some peaks and troughs. Performance over the last twelve months has shown gains of £147,279 (excluding dividends of £261,523). The Caravan Investment Committee review this portfolio at the quarterly investment meetings and rebalance the bond to equity split when necessary to ensure that it is kept in line with the agreed 60:40 ratio. This has been recently reviewed and the trustee board agreed a short term adjustment to allow up to 50% of our bond investments to be held in a long term, high yield deposit account to make the most of current high interest rates.

## **Our Reserves Policy**

The trustees have again reviewed the reserves policy of the charity. This is set out in the Caravan Policy Document and is as follows:

1. We should have sufficient cash, readily available, to cover negative variances to the plan and to avoid any disruption to our welfare spending
2. Sustainability (of the fund) is paramount to our beneficiaries and the Trustees believe that sufficient reserves equal to 5 years at current payment rates should be in place to cover the most extreme case that fund raising may cease or be dramatically reduced. This is reviewed annually with any surplus considered under our 'Surplus Reserves' policy.
3. Surplus reserves will be reviewed annually and used to further the objects of the charity as the Trustees see fit.
4. Regarding ethical investing; the trustees have reviewed their investments and are happy that they do not conflict with the aims of the charity and any investments that may hamper the work of the charity are avoided.

Our current level of reserves is £8.1m and this will allow the charity to continue to look after its growing number of beneficiaries for the next five years. This is consistent with our existing policy as set out in point 2. At current expenditure rates £6m would be needed to fulfil this obligation. The surplus reserves are reviewed annually and this year the trustee board agreed Awareness and Education as the financial priorities for the charity to address.

## **Our Vision and Mission**

The objects of the charity, as set out in the memorandum of association are:

- a) The relief of necessitous persons, who are or have been engaged in the grocery or provisions trade, greengrocers and off-licence trade, in any capacity, and for the relief of necessitous widows, widowers and their dependent children.
- b) To undertake any other charitable purpose.

The Caravan Vision is to be at the heart and soul of the food and grocery trade and to drive the welfare agenda by working with our industry colleagues to create and facilitate a better future for the industry and the people within it; our mission is to encourage all within our industry to come together and make a difference.

We are delighted with the progress the charity has made these last 12 months against both short and long term objectives and for the first time in several years all short term targets have been met.

We are particularly pleased at the success of our welfare strategy work. This has focused on 3 key areas: awareness of our work at shop and factory floor level, raising the awareness of the need for financial awareness education amongst those at work today and thirdly seeking out potential beneficiaries who are entitled to our support but who may have no knowledge of our work. This latter piece of work has helped greatly in the notable increase in beneficiary numbers with an additional 230 joining the fund this year compared to 115 in 2005/6. We have developed a financial educational package that is endorsed and supported by the Financial Services Authority. We believe that education in the workplace of the need to plan and save for the future is key to the well-being of all those at work today.

Our target income generation of at least £1.5m has been exceeded; our two key events, The Annual Luncheon and Annual Diamond Ball raised £162,377 and £134,724 respectively. The target income for the Annual Luncheon of £125,000 was exceeded thanks to ticket sales above expectations; however the Diamond Ball failed to meet our target fundraising income of £140,000. This was due primarily to the minimum numbers required by the Grosvenor House Hotel. We have therefore decided to move the ball to the London Hilton for 2008. We target to contact all of our beneficiaries each year and I am pleased to report that we have achieved a 100% contact rate for this past year. It is near impossible to measure the success of our awareness campaigns but a recent survey carried out amongst attendees at our 2006 Annual Luncheon has awareness of our work at 96%, increased from 88% the previous year.

The Caravan Strategic Plan, as detailed on page 2 was reviewed at the last Trustee Board meeting. It was unanimously agreed that the Vision and Mission statements still apply but some changes have been made to update our short and long term objectives for the coming financial year.

## **N.G.B.F. Trading Limited**

The charity has a wholly owned trading subsidiary which is incorporated in the U.K., company registration No. 2952403. N.G.B.F. Trading Limited receives advertising revenue arising from the publication of the charity's annual Year Book. During the year the company made a donation of £35,831 transferring all of its taxable profits to the charity. The trustees are pleased with the performance and contribution of the subsidiary to the charity's fund raising for the year.

The directors of the subsidiary include two directors who are independent of the charity.

## **Thank You**

To help us work towards these aims we continue to be so very grateful to the numerous companies and individuals who support our work.

Our central committees are staffed by industry associates who assist us in running the charity on a day to day basis and I am very grateful to all who support us in this way.

Our fund raising income comes from many events held both nationally and locally and these are attended by thousands of our industry colleagues and their friends. Our local committees are staffed by numerous volunteers from all parts of our industry and number over one hundred and twenty. On behalf of the Caravan trustees, I would like to thank all our volunteers who arrange and run these events in their own time, free of charge and with no thought of personal gain.

We ensure that our beneficiaries feel part of the charity and without our 45 regional welfare assessors we would never be able to achieve this. All of our assessors are volunteers and give their time freely to the charity, undertaking to visit their beneficiaries at least once per year. Again, on behalf of the Caravan trustees, may I offer my very sincere thanks and appreciation to this wonderful group of people.

## **Caravan Auditors**

A resolution will be proposed at the Annual General Meeting that Stewart & Co. be re-appointed as auditors to the charity for the ensuing year.

By order of the trustees:

A.R. Smith (Chairman)

11<sup>th</sup> June 2007

## **Independent auditors' report to the members of NATIONAL GROCERS BENEVOLENT FUND, trading as, CARAVAN**

We have audited the financial statements of National Grocers Benevolent Fund, trading as Caravan, for the year ended 31 March 2007 which comprise the statement of financial activities (including income and expenditure account), the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out therein.

This report is made solely to the Charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described in the statement of trustees' responsibilities the Charity's trustees (who are also directors for the purposes of company law) are responsible for the preparation of the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements. In addition we report to you if, in our opinion, the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Charity is not disclosed.

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

### **Basis of audit opinion**

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

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

**Independent auditors' report to the members of NATIONAL GROCERS  
BENEVOLENT FUND, trading as CARAVAN continued**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of the Charity's affairs as at 31 March 2007 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and the 2005 Charity Commission Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities; and
- the information given in the trustees' report is consistent with the financial statements.

**Stewart & Co  
Chartered Accountants and  
Registered Auditor**

11 June 2007

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