

MONTE SAN MARTINO TRUST

(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Fletcher & Partners
Chartered Accountants
Salisbury**

MONTE SAN MARTINO TRUST
(A company limited by guarantee)

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MONTE SAN MARTINO TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2018

Founder

Cavaliere Ufficiale Keith Killby, O.B.E.

Trustees

Sir Nicholas Young, Chairman
Hon. Letitia Blake, Secretary
Ms Anne Bewicke-Copley
Mr Omar Bucchioni
Miss Christine English
Mrs Caroline Gavin (resigned 12 December 2018)
Mr Nicholas Gent
Mr Ian Laing
Mr Justin de Meo, Treasurer
Mr Christopher Prentice
Mr Miles Skinner
Mr Vanni Treves

Company registered number

05604293

Charity registered number

1113897

Registered office

Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ

Corresponding office

Hon. Letitia Blake, 26 Mapeshill Place, London, NW2 5LA

Company secretary

Hon. Letitia Blake

Senior management team

Mr John Simkins, Administrator

Accountants

Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ

Bankers

Bank of Ireland

Portfolio Manager

Rathbone Investment Management

MONTE SAN MARTINO TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual directors' report together with the financial statements for the year to 31 December 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The Trust was founded in 1989 as a small, but lasting, tribute to the Italian people, especially those living in the countryside. Their courage and generosity helped thousands of Allied prisoners of war escape from their prison camps after the Armistice was signed with the Allies in 1943. Despite their poverty, risks of being shot or their houses being burnt down by German soldiers, these Italians provided food, shelter and clothing to the escapee soldiers.

In recognition of, and gratitude for, all the sacrifices made by these Italian families, the Trust was established by the late Keith Killby and a number of other Second World War veterans to grant bursaries in Britain to young Italians, often direct descendants of, or connected with, those Italians who gave such help. They mainly come from the Veneto, Tuscany, Abruzzi and Marche areas as these were the main areas where the prison camps were located. Each bursary typically covers four weeks study at language school and board and accommodation. The cost to the Charity is approximately £2,050 per student. In recognition of his services to Anglo-Italian relations through the Monte San Martino Trust, Keith Killby was awarded an OBE in 2001 and has also subsequently been honoured by the Italian President by being made a Cavaliere del Lavoro.

In June 2013, the Trustees decided to broaden the purposes of the Charity to include the education of the public about the experience of Allied prisoners of war in Italy and the bravery of those who helped them. The Trustees are empowered to commemorate all this in whatever way they think fit. This widening of the objects of the Charity was "codified" by a special resolution, passed on 24th June 2013.

This broadening of the purposes of the Charity reinforces the ultimate aim of the Trust, which is to ensure we never forget the experiences of the Allied prisoners of war and the sacrifices and risks taken by so many Italians for the Allied soldiers, which have never been adequately recognised at an official level; the object is also to keep alive a memory of true courage and humanity, by which our and future generations can be inspired.

If you wish to make a donation, or require any further information, please write to the correspondence address on the previous page, marking your letter for the attention of Miss Letitia Blake. Alternatively, you can telephone Miss Letitia Blake on 0208 451 0555 and 07967 147123.

b. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. As students are provided with bursaries by the charity they can benefit irrespective of their own financial resources.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Achievements and performance

a. REVIEW OF ACTIVITIES

Death of the Founder

The Trust's Founder, Keith Killby OBE, Cav.Uff, died peacefully at his home in London on 8 September 2018, aged 102. He founded the charity in 1989, following his retirement from the Killby family's wholesale butchery business in Smithfield. Keith worked tirelessly for nearly thirty years, assisted by other former PoWs, to establish the Trust as a living memorial and expression of gratitude to the people in Italy who helped him and others during their escapes from prison camp. His fundraising and organisational skills, energy and determination, and considerable personal generosity, made the charity what it is today.

75th Anniversary Celebration of the Armistice

The 75th anniversary celebration of the Armistice took place at Fontanellato, near Parma, the scene of a mass escape by 600 Allied officers in September 1943. The celebration was one of the highlights of Monte San Martino Trust's year. At the invitation of the town's mayor, nearly 100 supporters flew from the UK for the weekend of September 7-9. The town organised a magnificent programme of relevant site visits, ceremonies and a concert. The event coincided, however, with the sad passing in London of the Trust's founder, Keith Killby. The news was immediately relayed to supporters at Fontanellato.

Istituto Storico

A significant step was taken in 2018 towards raising the Trust's profile within Italy by opening negotiations for a collaboration with Istituto Ferruccio Parri. Based in Milan, it has a network of 63 historical institutes in north and central Italy with a mission to research and teach the history of anti-fascism and wartime resistance. Talks were to be finalised with a signing of the agreement in early 2019 and with discussions about specific joint projects.

The collaboration builds on a project involving three of the network's institutes in the region of Emilia-Romagna, which in 2018 was in its second year. Under the terms of this project, the institutes put on a course of studies about the Allied presence in wartime history and in return receive four Monte San Martino Trust bursaries.

Website, social media and newsletter

The Trust continued to strengthen its communications capability. Increasing attention was paid to the potential of social media, with the Trust's Facebook page growing considerably in popularity. The main website also played a part: for example, search engines gave a high placing to its coverage of Keith Killby's life and achievements. Work also continued on the website's sub-domain which will host the Archive. The annual 12 page newsletter was published in the Summer.

Technology

The need to make the Trust compliant with GDPR regulations was the catalyst for revamping its technology and making its information secure. A committee interviewed two IT firms and selected Bongo, based in Oxford. Bongo secured and reorganised the Trust's database and email function and trained key trustees. The work was completed by the end of the year; the Trust is to continue employing Bongo on a monthly retainer.

Policy Development

The Trustees have been gradually updating the Trust's policy manual, with additions/revisions completed or in hand in relation to data protection, fundraising, email security. A draft Collated Policy Manual is with the Trustees for consideration and approval, and work is also in hand on a Risk Register.

Annual Lunch

The Trust's annual lunchtime meeting of friends and supporters was attended by 146 people and raised £3,577 for the charity. The new Italian Ambassador in London, His Excellency Signor Trombetta and his wife, Victoria, attended for the first time and spoke warmly about the work of the Trust.

Moral Courage Award

The Trust is considering a new Award in Italy for moral courage. The Award was piloted in 2018, and was won by Signora Mele, who received her prize of 2000 Euros at a ceremony in Lucca. The Trustees are now reviewing the results of the pilot.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Archive

The process of digitising and indexing the Trust's unique archive of escape accounts is now 60% complete, and the task (which is proving more labour intensive than anticipated, due to the need to transcribe many handwritten or indistinct accounts) is expected to be substantially complete by the end of 2019. In the meantime, discussions with two universities are ongoing, with a view to finding a permanent but accessible home for the archive.

Students

The Trust awarded study Bursaries in 2018 to 37 students from villages in Italy where escapers were helped. The average costs was £2,050 per bursary.

b. INVESTMENT POLICY AND PERFORMANCE

The investment portfolio managed by Rathbones was valued at £1,771,604 as at 31st December 2018, which was the Trust's financial year end. The comparable figure for the previous year was £1,862,874. During the twelve months to December 2018 no transfers were made from the Bank of Ireland current account to Rathbones for investment.

The total return on the Monte San Martino Trust's investments for the year to 31st December 2018 was down by 1.8%. Over the same period, the FTSE 100 and MSCI WMA Growth indices were down 8.7% and 5.5% respectively. The primary investment objective continues to be capital growth, subject to a medium degree of risk, which is considered to be an appropriate approach to support the ongoing costs of the annual bursaries to the Italian students and of running the Trust.

Of the assets within the portfolio, at 31st December 2018, 69.3% was invested in Equities with 10.9% in Alternatives, which are lower to medium risk, and 16.8% in fixed interest and 3.0% in cash. The Investment portfolio remains well diversified to counter the volatility and fluctuations in the markets.

The fund produced income of £48,164 in 2018, an income yield of approximately 2.6% based on a value of £1,771,604 on December 21st 2018. In the previous year, the fund produced an income of £78,742, which was a yield of 4.2%. The income last year, was boosted by a one off distribution payment from a private equity investment as a return of value to shareholders.

In addition to the investments and cash at Rathbones, the Trust had a bank cash balance of £13,316.

The net assets of the Trust stand at approximately £1,783,666 with Investments at Rathbones of £1,771,604, cash at bank of £13,072 and cash due from Rathbones of £244, less liabilities due of £1,777. In 2019 there may be a need to transfer funds from investments to meet planned expenditure.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. POLICY FOR RESERVES AND OTHER FUNDS

Because they anticipate that fundraising will become increasingly difficult as the events of 1943 to 1945 become more distant, the Trustees' policy is to hold enough investments in the (expendable) Endowment Fund to generate a return sufficient to cover the Charity's running costs; and to retain a sufficient sum in the General Reserve to enable the charity to continue to operate, which is considered to be three months' expenditure. At the end of the year the General Reserve was below this level and it is anticipated that the deficiency will be made good by a transfer from the Endowment Fund. The market value of the Endowment Fund as at 31 December 2018 was £1,771,604 (2017 £1,862,874).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

a. CONSTITUTION

The Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 26 October 2005.

The Trust is constituted under a Memorandum of Association dated 26 October 2005 and is a registered charity number 1113897. Prior to incorporation of the Charity, it was constituted by a Deed of Trust dated 18th September 1989, as amended on 15th April 1993 and bore the same name, Monte San Martino Trust. The then Trustees were advised to incorporate the Charity in order to mitigate the increasing risks faced by Trustees.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Deed of Trust.

The company (hereinafter referred to as the Trust or Charity) is operated by its Trustees who meet periodically. New Trustees are recruited from among people who have an interest in furthering the aims of the Charity with a view to ensuring that all the necessary competencies are represented within the trustee body.

The Trustees record their grateful thanks to Caroline Gavin who retired as a Trustee in December 2018 after thirty years as a Trustee.

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Trustees discuss and make any decisions required during the period for implementation and continuation of communications with promoting Monte San Martino Trust in Italy. This includes the setting up of an archive and further consideration of commemoration.

d. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The principal risks the Charity faces include:

a. The performance of investments. Risks are mitigated by retaining expert investment managers and maintaining a diversified investment portfolio. The Portfolio is scrutinised by the Trustees throughout the year.

b. Safeguarding the students. The students have to be at least 18 years of age when they come to the UK and any further risks are mitigated by having well-informed Meeters, who will report any misgivings to the Trustees and to who the students can turn to if they have any misgivings. The two schools the students attend are both respectable and have pastoral care policies in place. The Trust maintains a public liability insurance policy which covers any possible claims by students as a result of their participation in the bursary programme.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trustees expect to continue to offer between 30 and 40 bursaries every year to Italian students.

The long term objective remains to increase the investment income to a level so that the recurrent investment income is more aligned to the running expenses of the Trust, and although near to this, substantial donations

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

income is more aligned to the running expenses of the Trust, and although near to this, substantial donations are still required. It is still a concern of the Trustees that, as memories of the Second World War fade, it will be increasingly difficult to rely on regular donations to finance the future outgoings of the Charity.

The Monte San Martino Trust remains dependent on the goodwill and generosity of its supporters and the Trustees would like to take the opportunity of thanking them all.

It is worth reminding supporters that it is very easy to alter a Will to include the Charity as a beneficiary. Such a move is not only advantageous from the point of view of inheritance tax but can easily and economically be arranged by means of a codicil. If you need any further information, please telephone Mr Justin de Meo, the Treasurer, who can be contacted on 07970 050425.

FUNDS HELD AS CUSTODIAN

The Charity did not hold any assets as a custodian.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Monte San Martino Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees and signed on their behalf by:

Justin R. de Meo

15TH August 2019

Mr Justin de Meo, Treasurer

Date:

MONTE SAN MARTINO TRUST
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MONTE SAN MARTINO TRUST (the 'Trust')

I report to the charity Trustees on my examination of the accounts of the Trust for the year ended 31 December 2018.

This report is made solely to the Trust's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Trust's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trust and the Trust's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Trust (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Trust are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Trust's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Trust as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

19 August 2019

Mr J Fletcher FCA

FLETCHER & PARTNERS

Chartered Accountants

Crown Chambers
Bridge Street
Salisbury
Wiltshire
SP1 2LZ

MONTE SAN MARTINO TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	23,111	-	-	23,111	25,364
Other trading activities	3	287	-	-	287	628
Investments	4	46,507	-	1,657	48,164	78,742
TOTAL INCOME AND ENDOWMENTS		<u>69,905</u>	<u>-</u>	<u>1,657</u>	<u>71,562</u>	<u>104,734</u>
EXPENDITURE ON:						
Raising funds:						
Voluntary income		-	-	-	-	198
Investment management		-	-	13,436	13,436	12,772
Charitable activities	5	104,584	629	-	105,213	74,181
TOTAL EXPENDITURE		<u>104,584</u>	<u>629</u>	<u>13,436</u>	<u>118,649</u>	<u>87,151</u>
NET BEFORE INVESTMENT GAINS/(LOSSES)		(34,679)	(629)	(11,779)	(47,087)	17,583
Net gains/(losses) on investments		-	-	(79,491)	(79,491)	126,589
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>(34,679)</u>	<u>(629)</u>	<u>(91,270)</u>	<u>(126,578)</u>	<u>144,172</u>
NET MOVEMENT IN FUNDS		<u>(34,679)</u>	<u>(629)</u>	<u>(91,270)</u>	<u>(126,578)</u>	<u>144,172</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		46,741	629	1,862,874	1,910,244	1,766,072
TOTAL FUNDS CARRIED FORWARD		<u>12,062</u>	<u>-</u>	<u>1,771,604</u>	<u>1,783,666</u>	<u>1,910,244</u>

The notes on pages 10 to 18 form part of these financial statements.

MONTE SAN MARTINO TRUST
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REGISTERED NUMBER: 05604293

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Investments	9		1,771,604		1,862,875
CURRENT ASSETS					
Debtors	10	523		788	
Cash at bank and in hand		13,316		48,418	
		13,839		49,206	
CREDITORS: amounts falling due within one year	11	(1,777)		(1,837)	
NET CURRENT ASSETS			12,062		47,369
NET ASSETS			1,783,666		1,910,244
CHARITY FUNDS					
Endowment funds	12		1,771,604		1,862,874
Restricted funds	12		-		629
Unrestricted funds	12		12,062		46,741
TOTAL FUNDS			1,783,666		1,910,244

The Trust's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the Trust is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Trust to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

Justin R. de Meo

Mr Justin de Meo, Treasurer

Date: 15th August 2019

The notes on pages 10 to 18 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Monte San Martino Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

Monte San Martino Trust is a company limited by guarantee, incorporated in England and Wales, with the registered number 05604293. Its registered office is Crown Chambers, Bridge Street, Salisbury, Wiltshire, SP1 2LZ. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust. The members of the company are the Trustees named on page 1.

1.3 Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Trust is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Trust has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Trust, or the Trust is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Trust and include project management. Governance costs are those incurred in connection with administration of the Trust and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations including gift aid	23,111	-	-	23,111	25,364
<i>Total 2017</i>	25,364	-	-	25,364	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. FUNDRAISING INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Sale of books	287	-	-	287	628
<i>Total 2017</i>	<u>628</u>	<u>-</u>	<u>-</u>	<u>628</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Investment income - local listed investments	30,657	-	1,657	32,314	65,524
Investment income - foreign listed investments	15,850	-	-	15,850	13,218
	<u>46,507</u>	<u>-</u>	<u>1,657</u>	<u>48,164</u>	<u>78,742</u>
<i>Total 2017</i>	<u>78,742</u>	<u>-</u>	<u>-</u>	<u>78,742</u>	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Student expenses	75,913	-	-	75,913	54,313
Donations to students	5,923	-	-	5,923	4,374
Donations to charitable causes	1,906	-	-	1,906	2,060
Digitalisation of archives	6,550	629	-	7,179	3,546
Support costs	14,292	-	-	14,292	9,888
	<u>104,584</u>	<u>629</u>	<u>-</u>	<u>105,213</u>	<u>74,181</u>
<i>Total 2017</i>	<u>70,635</u>	<u>3,546</u>	<u>-</u>	<u>74,181</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. SUPPORT COSTS

	Support costs £	Total 2018 £	<i>Total</i> 2017 £
Office administration	11,679	11,679	8,388
Governance	2,613	2,613	1,500
	14,292	14,292	9,888
	9,888	9,888	
<i>Total 2017</i>			

During the year ended 31 December 2018, the Trust incurred the following Governance costs: accountancy £2,253 and independent examination fee of £360.

7. NET INCOME/(EXPENDITURE)

During the year, no Trustees received any remuneration (2017 - £NIL).
During the year, no Trustees received any benefits in kind (2017 - £NIL).

8. AUDITORS' REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 360 (2017 - £ 350), and accounts preparation of £2,253 (2017 - £1,150).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. FIXED ASSET INVESTMENTS

	Listed securities £	Cash £	Total £
Market value			
At 1 January 2018	1,832,490	30,385	1,862,875
Additions	49,262	22,083	71,345
Disposals	(82,095)	-	(82,095)
At 31 December 2018	<u>1,799,657</u>	<u>52,468</u>	<u>1,852,125</u>
Impairment			
At 1 January 2018	-	-	-
Charge for the year	80,521	-	80,521
At 31 December 2018	<u>80,521</u>	<u>-</u>	<u>80,521</u>
Net book value			
At 31 December 2018	<u>1,719,136</u>	<u>52,468</u>	<u>1,771,604</u>
At 31 December 2017	<u>1,832,490</u>	<u>30,385</u>	<u>1,862,875</u>

Investments at market value comprise:

	UK £	Overseas £	2018 £	2017 £
Listed investments	932,072	787,064	1,719,136	1,832,489
Cash	52,468	-	52,468	30,385
Total market value	<u>984,540</u>	<u>787,064</u>	<u>1,771,604</u>	<u>1,862,874</u>

10. DEBTORS

	2018 £	2017 £
Other debtors	523	788

11. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	1,777	1,837

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds					
General Funds - all funds	46,741	69,905	(104,584)	-	12,062
Endowment funds					
Endowment Fund - revaluation reserve	448,199	-	-	(52,406)	395,793
Endowment Fund expendable reserves	1,414,675	1,657	(13,436)	(27,085)	1,375,811
	<u>1,862,874</u>	<u>1,657</u>	<u>(13,436)</u>	<u>(79,491)</u>	<u>1,771,604</u>
Restricted funds					
Digitalise archives	629	-	(629)	-	-
Total of funds	<u>1,910,244</u>	<u>71,562</u>	<u>(118,649)</u>	<u>(79,491)</u>	<u>1,783,666</u>

The restricted fund consisted of a donation to cover the costs of digitalising the archives less some of the costs paid out during the year for this project.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
General funds						
General Fund	47,335	104,734	(70,833)	(34,495)	-	46,741
Endowment funds						
Endowment Fund - revaluation reserve	454,943	-	-	-	(6,744)	448,199
Endowment Fund expendable reserves	1,259,619	-	(12,772)	34,495	133,333	1,414,675
	<u>1,714,562</u>	<u>-</u>	<u>(12,772)</u>	<u>34,495</u>	<u>126,589</u>	<u>1,862,874</u>
Restricted funds						
Digitalise archives	4,175	-	(3,546)	-	-	629
Total of funds	<u>1,766,072</u>	<u>104,734</u>	<u>(87,151)</u>	<u>-</u>	<u>126,589</u>	<u>1,910,244</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
General funds	46,741	69,905	(104,584)	-	12,062
Endowment funds	1,862,874	1,657	(13,436)	(79,491)	1,771,604
Restricted funds	629	-	(629)	-	-
	<u>1,910,244</u>	<u>71,562</u>	<u>(118,649)</u>	<u>(79,491)</u>	<u>1,783,666</u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 £</i>
General funds	47,335	104,734	(70,833)	(34,495)	-	46,741
Endowment funds	1,714,562	-	(12,772)	34,495	126,589	1,862,874
Restricted funds	4,175	-	(3,546)	-	-	629
	<u>1,766,072</u>	<u>104,734</u>	<u>(87,151)</u>	<u>-</u>	<u>126,589</u>	<u>1,910,244</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Fixed asset investments	-	-	1,771,604	1,771,604
Current assets	13,839	-	-	13,839
Creditors due within one year	(1,777)	-	-	(1,777)
	<u>12,062</u>	<u>-</u>	<u>1,771,604</u>	<u>1,783,666</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Endowment funds 2017 £</i>	<i>Total funds 2017 £</i>
Fixed asset investments	-	-	1,862,874	1,862,874
Current assets	48,578	629	-	49,207
Creditors due within one year	(1,837)	-	-	(1,837)
	<u>46,741</u>	<u>629</u>	<u>1,862,874</u>	<u>1,910,244</u>

14. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

15. POST-BALANCE SHEET EVENTS

The Trustees have been notified that the Charity is the residual beneficiary of an Estate. The amount of the legacy cannot be reliably measured and so has not been recognised in these accounts.