

The Old Etonian Trust

(Limited by guarantee)

Council's Report and Financial Statements

For the year ended 31 December 2017

Registered Company Number 359518

Registered Charity Number 1151597

TUESDAY



A7ERVTVR

A26

18/09/2018

#198

COMPANIES HOUSE

The Old Etonian Trust

(Limited by guarantee)

Council's report and financial statements

Contents	<i>Page</i>
Members of the Council	2
List of Advisers	2
Council's report	3 - 5
Statement of responsibilities of the Members of the Council	6
Independent auditors' report	7
Statement of Financial Activities	9
Balance sheet	10
Notes	11 - 20

The Old Etonian Trust

(Limited by guarantee)

Trustees (“members of the Council”)

RN Hambro CBE	(Chairman)
Lord Bridges	
Dr ALH Gailey CVO	
PAD Inkin	
RB Landman	
RDO Macleay	
CJ Robarts	(Secretary)
Lord Suffield	
Lord Waldegrave of North Hill	
AGR Windham CVO	

List of advisers

Principal address 440 Strand
London
WC2R 0QS

Bankers Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors Farrer & Co LLP
66 Lincoln’s Inn Fields
London
WC2A 3LH

Statutory auditors Price Bailey LLP
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

The Old Etonian Trust

(Limited by guarantee)

Council's report

Constitution

The Old Etonian Trust is a charitable company limited by guarantee which was incorporated on 24 February 1940, its company registration number being 359518. It is governed by memorandum and articles of association. Its principal objects are the advancement of education and the furtherance of charitable objects connected with Eton College. It acts as custodian of certain charitable trusts connected with Eton, of which the most important are the Hornby Steer Fund and the War Memorial Bursary Fund. These trusts are reported on below. The Members of the Council 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 objects and in planning future activities and setting policy for the year.

The day to day management of the charity is largely carried out by the Secretary, who is responsible for managing the accounts and bursary awards. The Council makes the key decisions on investment policy and the funding available for bursaries.

Fund accounting

Unrestricted funds are general funds that are available for use at the discretion of the Council in furtherance of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Reserves policy

The Council has reviewed the Charity's need for reserves in line with the guidance issued by the Charity Commission. The intention is to distribute income fully each year and normally to retain investment growth in the fund to enable the fund to accommodate future increases in school fees. However, this is without prejudice to the Council's discretion either to accumulate income when demand for bursaries is low or to distribute accumulated funds when demand is high. Total funds were £7.9 million at 31 December 2017 of which £5.1 million was unrestricted. The Council consider this level to be reasonable given investment performance and the current demand for bursaries. The Council aims for the unrestricted General fund, which is shown in note 5, to be between £10,000 and £20,000 to maintain working capital.

Investment policy

Investments are in authorised funds giving a wide spread of securities managed by highly reputable financial institutions. The Council has currently decided to invest in ten funds. Investment decisions are based on the performance of those funds, which is monitored on a regular basis with at least half yearly valuations. It aims to achieve overall returns that are broadly consistent with overall stock market performance, with an additional focus on maintaining investment income to fund bursaries. During the year, the value of investments has increased by £671,535 reflecting the increase in stock market values during 2017.

Grant making

The Council agrees the maximum amount of funds available for bursary awards each year. Applications for bursaries are considered by the Bursary Committee at Eton. Awards are assessed on grounds of financial need and the perceived quality of the applicant and are reviewed regularly, being liable to withdrawal should circumstances change. Awards are approved by the Chairman and the Secretary. Awards are paid directly to the school. Travel bursaries are considered by a separate committee at Eton and are subsequently approved by the Chairman and the Secretary while other specific grants are decided by the Council.

The Old Etonian Trust

(Limited by guarantee)

Risk assessment

The Council has reviewed the major risks associated with the Charity and is satisfied that systems are in place to mitigate those risks.

Future plans

The Council aims to continue the advancement of education and the furtherance of charitable objects connected with Eton College based on the returns achieved on the Charity's investments. Following approval at an Extraordinary General Meeting, the asset and liabilities of The Henry VI Charity were transferred to The Old Etonian Trust. The net assets are over £6 million and will be held in a specific fund.

Council members and employees

Under the terms of the Trust Deed, the power of appointing new Members of the Council is vested in the existing Members of the Council. There are no employees of the Trust and Members of the Council receive no remuneration for their services.

Policies for the induction and training of Council members

The Council members have been in post for a number of years and new Council members are appointed infrequently. When new members are appointed, they are provided with a copy of the Articles of Association and are briefed on the aims and objectives of the trust and directed to the Charity Commission guidance to ensure they understood the roles and responsibilities of a trustee.

War Memorial Bursary Fund

The War Memorial Bursary Fund has awarded bursaries to the sons or grandsons of Old Etonians whose parents would not otherwise be able to afford the Eton fees. During the process for registration as a charity, The Charity Commission required this restriction to be removed as it considered it did not represent a public class. The fund is now used to provide bursaries to boys in general at Eton. Six bursaries were in operation during the year costing £130,739 (2016: 9 costing £126,459) with a total commitment at the year-end of £459,773 (2016: £468,160). The value of the fund at the year-end was:

	2017	2016
	£	£
Cost of investments	4,042,892	3,022,602
Accumulated unrealised appreciation in value	1,204,197	1,832,067
Other net assets/(liabilities)	(392,585)	(431,479)
	<u>4,854,504</u>	<u>4,423,190</u>

General Fund

The value of the fund at the end of the year was:

	2017	2016
	£	£
Cost of investments	3,975	31,975
Accumulated unrealised appreciation in value	33,551	46,600
Other net assets	6,495	10,666
	<u>44,021</u>	<u>89,241</u>

For administrative purposes, the CJ Rowlatt Legacy Fund and The Aird Legacy Fund, which are both restricted, are included within the General Fund which is unrestricted.

The Old Etonian Trust

(Limited by guarantee)

The C J Rowlatt Legacy Fund provides for the improvement and upkeep of Luxmoore's Garden and other College gardens. In 2017 an amount of £1,743 was allocated from the fund, which includes a donation of £1,000 from the Swire Charitable Trust, towards the upkeep of Luxmoore's Garden (2016: £1,694).

The Aird Legacy Fund was formed in 1974 with a bequest of £5,000 from Sir John Aird to provide bursaries for boys already in the school whose parents encounter financial difficulty in keeping them there. A further legacy of £20,000 from Lady Priscilla Aird, widow of Sir John Aird, was added to the fund in 2003. There was one bursary in operation during the year costing £37,618 (2016: £11,907) and a total commitment at the year-end of £9,037 (2016: £nil).

The General Fund is not earmarked for any specific purpose.

HK Marsden Memorial Fund

This fund has been built up from donations and provides travel grants to boys at Eton. Eighteen travel bursaries costing £7,600 were awarded during the year (2016: 44 costing £8,510). The value of the fund at the end of the year was as follows:

	2017	2016
	£	£
Cost of investments	29,997	29,997
Accumulated unrealised appreciation in value	173,613	160,318
Other net assets/(liabilities)	17,656	16,598
	<u>221,266</u>	<u>206,913</u>

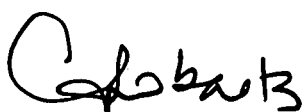
Hornby Steer Legacy Fund

This fund was created in 1994 with a legacy from William Hornby Steer amounting to £1.6 million. The fund was formed for the advancement of education and the furtherance of charitable objects connected with Eton College. The Council allocated £800,000 of the fund to Eton College to assist with the rebuilding of the Drawing Schools. The remainder of the Fund is currently being used to provide bursaries. Four bursaries were in operation during the year costing £66,844 (2016: 3 costing £71,145) with a total commitment at the year end of £216,638 (2016: £223,240). The value of the fund at the end of the year was:

	2017	2016
	£	£
Cost of investments	2,212,304	1,678,190
Accumulated unrealised appreciation in value	683,171	994,288
Other net assets/(liabilities)	(154,023)	(183,365)
	<u>2,741,452</u>	<u>2,489,113</u>

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Council



C J Robarts (Honorary Secretary)

6th September 2018

The Old Etonian Trust

(Limited by guarantee)

Statement of responsibilities of the Members of the Council

The Members of the Council (who are also directors of The Old Etonian Trust for the purposes of company law) are responsible for preparing the Council's 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, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing these financial statements, the Members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of the Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Members of the Council are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Members of the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Old Etonian Trust

(Limited by guarantee)

Independent Auditors' Report to the members of The Old Etonian Trust

Opinion

We have audited the financial statements of The Old Etonian Trust (the 'charitable company') for the year ended 31 December 2017 which comprises the Statement of Financial Activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

The Old Etonian Trust

(Limited by guarantee)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helena Wilkinson (Senior Statutory Auditor)
For and on behalf of Price Bailey LLP, Statutory Auditor
Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT

13 September 2018

The Old Etonian Trust

(Limited by guarantee)

Statement of Financial Activities (including summary income and expenditure account)

for the year ended 31 December 2017

	Note	2017 Restricted £	2017 Unrestricted £	2017 Total £	2016 Total £
Income and endowments from:					
Legacies received		-	-	-	5,000
Donations received		1,013	-	1,013	1,013
Investments:					-
Investment income	8	157,311	80,947	238,258	214,859
Interest receivable		-	27	27	64
Total income	5	158,324	80,974	239,298	220,936
Expenditure on charitable activities:					
Bursaries awarded	10	(164,792)	(53,504)	(218,296)	(50,202)
Grants to Eton		(1,743)	-	(1,743)	(1,694)
Support costs	4	(10,559)	(10,237)	(20,796)	(14,139)
Unwinding of discount		(11,765)	(5,447)	(17,212)	(22,031)
Total expenditure		(188,859)	(69,188)	(258,047)	(88,066)
Net (expenditure) / income before gains and losses on investments		(30,535)	11,786	(18,749)	132,870
Net gains / (losses) on investments	5	434,379	237,156	671,535	922,863
Net income for the year being net movement in funds		403,844	248,942	652,786	1,055,733
Total Fund balances brought forward	11	4,696,986	2,511,471	7,208,457	6,152,724
Total Fund balances carried forward		5,100,830	2,760,413	7,861,243	7,208,457

The income and resulting net movement in funds arise from continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

The notes on pages 11 to 20 form part of these financial statements.

The Old Etonian Trust

(Limited by guarantee)

Balance sheet

at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments at market value	7	8,383,700	7,796,037
Current assets			
Cash at bank		172,488	108,364
Creditors: amounts falling due within one year	9	<u>(210,635)</u>	<u>(200,317)</u>
Net current liabilities		<u>(38,147)</u>	<u>(91,953)</u>
Total assets less current liabilities		8,345,553	7,704,084
Creditors: amounts falling due after more than one year	9	<u>(484,310)</u>	<u>(495,627)</u>
Net assets		<u>7,861,243</u>	<u>7,208,457</u>
Funds			
Restricted	5	5,100,830	4,696,986
Unrestricted	5	<u>2,760,413</u>	<u>2,511,471</u>
		<u>7,861,243</u>	<u>7,208,457</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Council who approved the accounts on 6th September 2018



R N Hambro

Chairman

(Company registration number 359518)

The notes on pages 10 to 18 form part of these Financial Statements.

The Old Etonian Trust

(Limited by guarantee)

Notes *(forming part of the financial statements)*

- 1 The Old Etonian Trust is a charitable company limited by guarantee. The individual liability of the company's members, including all the Council Members, is limited to £1. For Companies Act purposes the Council Members are directors of the company.

2 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. While there are net current liabilities, there is not a going concern issue as committed bursaries will be funded from future investment income. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors.

The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

(b) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity 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 charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified or the charity 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.

The Old Etonian Trust

(Limited by guarantee)

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and irrecoverable VAT is charged against the expenditure heading for which it was incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs.

Grants and bursaries payable to third parties are within the charitable objectives. Bursaries and grants payable are charged to expenditure in the year in which they are awarded and notified to the recipient, on the basis that they constitute a constructive obligation to the Charity. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

(e) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligator can be measured as estimated reliability. Creditors are recognised at their settlement amount. Long term creditors, being bursaries are discounted using the investment return to the charity as discount factor.

(f) Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

Realised investment gains and losses are calculated as the difference between the market value at the date of sale and the original cost of the investment. Unrealised investment gains and losses are calculated as the difference between the market value at 31 December 2017 and the market value at 31 December 2016, or the value on date of purchase if later. Unrealised gains and losses are adjusted for any previously unrealised gains or losses that are realised during the year.

The Old Etonian Trust

(Limited by guarantee)

(g) Funds

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide, whereas restricted funds represent funds given for a particular purpose.

All covenanted income and donations are applied to the accumulated fund via the capital account. Bursaries may continue to be paid in the future out of the income from the accumulated fund, without the need for further fund raising. These payments do not prejudice the Trustees' discretion to spend the accumulated fund for the objects of the Charity.

(h) Cash Flow

Under Charity SORP 2015 FRS (102), the Charity is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small reporting entity.

(i) Financial Instruments

The charity 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 investments which are measured at market value.

3 EXPENSES

The charity made a contribution to the Secretary £500 (2016: £500) towards expenses incurred. Members of the Council receive no remuneration for their services and have not been reimbursed for any expenses (2016: £nil).

4 SUPPORT COSTS

	2017	2016
	£	£
Audit fees	2,912	3,136
Legal fees	3,948	-
Investment management fees	13,032	10,120
Bank charges	404	383
Contribution to secretary expenses	500	500
	<u>20,796</u>	<u>14,139</u>

The Old Etonian Trust
(Limited by guarantee)

5 STATEMENT OF FUNDS

	Restricted				Unrestricted				
	General Fund (Aird)	General Fund War Memorial (Rowlatt) Bursary Fund	HK Marsden Memorial Fund	Total restricted funds	General Fund (Other)	Hornby Steer Fund	Total unrestricted funds	Total funds	
	£	£	£	£	£	£	£	£	
Net assets at 1 January 2017	44,936	21,947	4,423,190	206,913	4,696,986	22,358	2,489,113	2,511,471	7,208,457
Income	491	1,779	146,789	9,265	158,324	643	80,331	80,974	239,298
Expenditure	(46,691)	(1,779)	(132,182)	(8,207)	(188,859)	(4,880)	(64,308)	(69,188)	(258,047)
Investment gains / (losses)	2,464	1,913	416,707	13,295	434,379	840	236,316	237,156	671,535
Net assets at 31 December 2017	1,200	23,860	4,854,504	221,266	5,100,830	18,961	2,741,452	2,760,413	7,861,243

The purpose of each fund is described in the Council's report on page 3 to 5.

	Restricted				Unrestricted				
	General Fund (Aird)	General Fund War Memorial (Rowlatt) Bursary Fund	HK Marsden Memorial Fund	Total restricted funds	General Fund (Other)	Hornby Steer Fund	Total unrestricted funds	Total funds	
	£	£	£	£	£	£	£	£	
Net assets at 1 January 2016	51,405	19,536	3,758,869	194,601	4,024,411	16,768	2,111,545	2,128,313	6,152,724
Income	1,540	1,722	131,342	8,801	143,405	5,650	71,881	77,531	220,936
Expenditure	(11,964)	(1,722)	(51,970)	(9,076)	(74,732)	(900)	(12,434)	(13,334)	(88,066)
Investment gains / (losses)	3,955	2,411	584,949	12,587	603,902	840	318,121	318,961	922,863
Net assets at 31 December 2016	44,936	21,947	4,423,190	206,913	4,696,986	22,358	2,489,113	2,511,471	7,208,457

The Old Etonian Trust
(Limited by guarantee)

6 ANALYSIS OF NET ASSETS

	Restricted				Unrestricted				
	General Fund (Aird)	General Fund (Rowlatt)	War Memorial Bursary Fund	HK Marsden Memorial Fund	Total restricted funds	General Fund	Hornby Steer Fund	Total unrestricted funds	Total funds
	£	£	£	£	£	£	£	£	£
At 31 December 2017									
Investments	-	23,860	5,247,089	203,610	5,474,559	13,666	2,895,475	2,909,141	8,383,700
Current assets	-	-	-	-	-	172,488	-	172,488	172,488
Current liabilities	(9,037)	(1,743)	(135,193)	(900)	(146,873)	(6,854)	(56,908)	(63,762)	(210,635)
Interfund balances	10,237	1,743	67,188	18,556	97,724	(160,339)	62,615	(97,724)	-
Long term liabilities	-	-	(324,580)	-	(324,580)	-	(159,730)	(159,730)	(484,310)
Total net assets	1,200	23,860	4,854,504	221,266	5,100,830	18,961	2,741,452	2,760,413	7,861,243

	Restricted				Unrestricted				
	General Fund (Aird)	General Fund (Rowlatt)	War Memorial Bursary Fund	HK Marsden Memorial Fund	Total restricted funds	General Fund	Hornby Steer Fund	Total unrestricted funds	Total funds
	£	£	£	£	£	£	£	£	£
At 31 December 2016									
Investments	43,802	21,947	4,854,669	190,315	5,110,733	12,826	2,672,478	2,685,304	7,796,037
Current assets	-	-	-	-	-	108,364	-	108,364	108,364
Current liabilities	-	(1,694)	(130,375)	-	(132,069)	(2,850)	(65,398)	(68,248)	(200,317)
Interfund balances	1,134	1,694	36,681	16,598	56,107	(95,982)	39,875	(56,107)	-
Long term liabilities	-	-	(337,785)	-	(337,785)	-	(157,842)	(157,842)	(495,627)
Total net assets	44,936	21,947	4,423,190	206,913	4,696,986	22,358	2,489,113	2,511,471	7,208,457

The Old Etonian Trust
(Limited by guarantee)

7 LISTED INVESTMENTS

	Restricted				Unrestricted			Total	
	General Fund (Aird)	General Fund War Memorial (Rowlatt)	Bursary Fund	HK Marsden Memorial Fund	Total restricted funds	General Fund	Hornby Steer Fund	unrestricted funds	Total funds
	£	£	£	£	£	£	£	£	£
2017									
M & G Charifund				203,610	203,610	13,026		13,026	216,636
Charities Official Investment Fund		23,860			23,860			-	23,860
M & G Charibond					-	640		640	640
Edinburgh Investment Trust			889,717		889,717		506,511	506,511	1,396,228
Fundsmith LLP Equity			885,096		885,096		503,860	503,860	1,388,956
Heronbridge UK Equity Fund			850,001		850,001		453,000	453,000	1,303,001
Troy Income & Growth Trust			919,200		919,200		523,760	523,760	1,442,960
Rothschild Investment Trust			855,824		855,824		456,067	456,067	1,311,891
Personal Assets Trust			847,251		847,251		452,277	452,277	1,299,528
Market Value		23,860	5,247,089	203,610	5,474,559	13,666	2,895,475	2,909,141	8,383,700
Historical cost		1,531	4,043,724	29,997	4,075,252	2,444	2,212,775	2,215,219	6,290,471
Excess of market value over historical cost		22,329	1,203,365	173,613	1,399,307	11,222	682,700	693,922	2,093,229
2016									
M & G Charifund	19,816			190,315	210,131	12,176		12,176	222,307
Charities Official Investment Fund	23,986	21,947			45,933			-	45,933
M & G Charibond			29,325		29,325	650		650	29,975
BlackRock Charishare					-			-	-
Edinburgh Investment Trust			906,170		906,170		515,878	515,878	1,422,048
Fundsmith LLP Equity			1,483,821		1,483,821		843,701	843,701	2,327,522
Neptune Investment Management Income			714,169		714,169		407,209	407,209	1,121,378
Troy Income & Growth Trust			880,421		880,421		501,664	501,664	1,382,085
Veritas Asset Management Global Income			709,453		709,453		404,026	404,026	1,113,479
Schroders Charity Equity Income			131,310		131,310			-	131,310
Market Value	43,802	21,947	4,854,669	190,315	5,110,733	12,826	2,672,478	2,685,304	7,796,037
Historical cost	28,000	1,531	3,022,602	29,997	3,082,130	2,444	1,678,190	1,680,634	4,762,764
Excess of market value over historical cost	15,802	20,416	1,832,067	160,318	2,028,603	10,382	994,288	1,004,670	3,033,273

The Old Etonian Trust
(Limited by guarantee)

7 LISTED INVESTMENTS (continued)

The movements in listed investments may be summarised as follows:

	2017	2016
	£	£
Market value at 1 January	7,796,037	6,873,174
Sales during the year	(3,997,338)	-
Purchases during the year	3,913,466	-
Net gains/(losses) during the year	<u>671,535</u>	<u>922,863</u>
 Market value at 31 December	 <u>8,383,700</u>	 <u>7,796,037</u>
 Cost at 31 December	 <u>6,290,471</u>	 <u>4,762,764</u>

All investments are carried at their fair value

8. INVESTMENT INCOME

	2017	2016
	£	£
Dividends - equities	<u>238,258</u>	<u>214,859</u>

9. CREDITORS

	2017	2016
	£	£
Amounts falling due within one year		
Bursaries and grants awarded (note 10)	202,038	195,773
Audit fee	2,906	2,850
Administrative expenses	3,948	-
Rowlatt income due to Eton	<u>1,743</u>	<u>1,694</u>
	<u>210,635</u>	<u>200,317</u>
 Amounts falling due after more than one year		
Bursaries and grants awarded (note 10)	<u>484,310</u>	<u>495,627</u>

The Old Etonian Trust
(Limited by guarantee)

10. BURSARIES AND GRANTS AWARDED – CURRENT YEAR

	War Memorial Bursary Fund	H K Marsden Fund	Aird Fund	Hornby Steer Fund	2017 Total
	£	£	£	£	£
Bursaries awarded during the year	119,524	7,600	46,655	57,894	231,673
Bursaries withdrawn during the year	-	-	-	-	-
Discount of new bursaries	(8,987)	-	-	(4,390)	(13,377)
Net bursaries awarded during the year	110,537	7,600	46,655	53,504	218,296
Unwinding of discount	11,765	-	-	5,447	17,212
Bursaries paid during the year	(130,689)	(6,700)	(37,618)	(65,553)	(240,560)
Net increase / (decrease) during year in bursaries awarded but not paid	(8,387)	900	9,037	(6,602)	(5,052)
Bursaries awarded but not paid at 1 January	468,160	-	-	223,240	691,400
Bursaries awarded but not paid at 31 December	459,773	900	9,037	216,638	686,348
Bursaries due within one year	135,193	900	9,037	56,908	202,038
Bursaries due to be paid after more than one year	324,580	-	-	159,730	484,310
Total bursaries due	459,773	900	9,037	216,638	686,348

Bursaries are awarded to individuals to support payment of education fees at schools outside the maintained sector. For the War Memorial Bursary Fund, two new bursaries were awarded and there are currently six bursaries in operation. For the Hornby Steer Fund, one bursary was increased, one new bursary was awarded during the year and there are currently four bursaries in operation. For the H K Marsden Fund 18 travel grants were awarded during the year. One new bursary was awarded for the Aird Fund.

The Old Etonian Trust
(Limited by guarantee)

10. BURSARIES AND GRANTS AWARDED – PRIOR YEAR

	War Memorial Bursary Fund	H K Marsden Fund	Aird Fund	Hornby Steer Fund	2016Total
	£	£	£	£	£
Bursaries awarded during the year	29,177	8,510	11,907	608	50,202
Bursaries withdrawn during the year	-	-	-	-	-
Net bursaries awarded during the year	29,177	8,510	11,907	608	50,202
Unwinding of discount	14,616	-	-	7,415	22,031
Bursaries paid during the year	(126,459)	(8,510)	(11,907)	(71,145)	(218,021)
Net increase / (decrease) during year in bursaries awarded but not paid	(82,666)	-	-	(63,122)	(145,788)
Bursaries awarded but not paid at 1 January	550,826	-	-	286,362	837,188
Bursaries awarded but not paid at 31 December	468,160	-	-	223,240	691,400
Bursaries due within one year	130,375	-	-	65,398	195,773
Bursaries due to be paid after more than one year	337,785	-	-	157,842	495,627
Total bursaries due	468,160	-	-	223,240	691,400

The Old Etonian Trust
(Limited by guarantee)

11. STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 Restricted £	2016 Unrestricted £	2016 Total £	2015 Total £
Income and endowments from:					
Legacies received			5,000	5,000	-
Donations received		1,013		1,013	1,026
Investments:				-	
Investment income	7	142,392	72,467	214,859	209,226
Interest receivable			64	64	92
Total income	5	143,405	77,531	220,936	210,344
Expenditure on charitable activities:					
Bursaries awarded	10	(49,594)	(608)	(50,202)	(439,836)
Grants to Eton		(1,694)		(1,694)	(1,728)
Support costs		(8,828)	(5,311)	(14,139)	(11,712)
Unwinding of discount		(14,616)	(7,415)	(22,031)	(14,215)
Total expenditure		(74,732)	(13,334)	(88,066)	(467,491)
Net income / (expenditure) before gains and losses on investments		68,673	64,197	132,870	(257,147)
Net gains / (losses) on investments	4	603,902	318,961	922,863	387,280
Net income for the year being net movement in funds		672,575	383,158	1,055,733	130,133
Total Fund balances brought forward		4,024,411	2,128,313	6,152,724	6,022,591
Total Fund balances carried forward		4,696,986	2,511,471	7,208,457	6,152,724