

REGISTERED COMPANY NUMBER: 03266231 (England and Wales)  
REGISTERED CHARITY NUMBER: 1060319

REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2017  
FOR  
A F TRUST COMPANY

M R Salvage Limited  
Chartered Accountants  
and Statutory Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Buckinghamshire  
SL8 5YS

THURSDAY



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04/01/2018  
COMPANIES HOUSE

A F TRUST COMPANY

CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 6
Statement of Financial Activities	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11 to 16

## **A F TRUST COMPANY**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 JULY 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2017. The trustees have adopted the provisions of 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).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives**

The objectives of the charity are:

- the advancement of education by the provision of assistance and benefit for institutions providing higher education within England.
- to make grants to or for such charitable purposes as are connected with the provision of higher education within England as the Company shall, in its absolute discretion, determine, at such times as the Company shall, in its absolute discretion, determine.

These objectives are achieved by the making of grants to other charitable institutions. The trustees meet each year to discuss applications for assistance received from institutions providing higher education within England. They approve donations amounting to the surplus for each year, less any amounts needed to be retained for the purposes of constitution of the charity. Grants are not made to individuals as the company does not have the facilities to review and investigate such requests.

In setting the objectives and planning activities the Trustees have given consideration to the Charity Commission's general guidance on the public benefit and in particular to its supplementary public benefit guidance on advancing education and fee charging.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

Charitable donations of £25,000 (2016: £nil) were made in the year, and the trustees have set aside designated funds of £nil (2016: £25,000) in respect of donations for the forthcoming year.

The universities and institutions are able to use the donations as they see fit, in accordance with their priorities, and this will include supporting general educational activities as well as providing support for students from all backgrounds to enable them to benefit from a university education.

##### **Performance**

The trustees consider both the level of activity and the year-end position to be satisfactory. The trustees do not expect the level of activity to increase significantly in the next year. The trustees believe that it is unlikely that additional leases will be available to be entered into in the future. The existing lease portfolio will continue to be managed in order to provide funds for the charitable purposes of the company.

#### **FINANCIAL REVIEW**

##### **Principal activities and review of the year**

The Statement of Financial Activities (Income and Expenditure account) for the year is set out on page 7.

In furtherance of its objectives, the company currently provides property services and leasing facilities to educational establishments on an arms' length basis. The core activity is the managing of the existing lease portfolio. New leases and changes to existing leases are reviewed by the trustees on the basis of professional advice received in order to maximise the net income available to the company for its charitable purposes.

The net incoming resources before transfers and direct charitable expenditure for the year were £19,558 (2016: £20,473). Net rental incomes amount to £24,250 (2016: £24,250). Interest receivable and payable in respect of accrued rentals amounted to £197,051 and £187,652 respectively (2016: £209,078 and £199,108). Other administration expenses were £99 (2016: £100) relating to bank charges.

The total accumulated fund at 31 July 2017 of £349,665 (2016: £355,107) is unrestricted and is expendable at the discretion of the trustees and will be applied towards the promotion of the objects of the company. It is not distributable. From this fund the trustees have set aside designated funds of £nil (2016: £25,000) to meet the company's agreed financial commitments, details of which are included in note 13.

**A F TRUST COMPANY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2017**

**FINANCIAL REVIEW**

**Reserves policy**

It is the policy of the company to seek to generate a small surplus of income over expenditure for the first few years to safeguard the future of the charity.

The remainder of the net income will be distributed according to the objects of the charity.

The trustees periodically review the level of reserves to ensure that reserves are at a suitable level for the continuation of the work of the charity.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

A F Trust Company was established on 21 October 1996 (date of incorporation). The company is limited by guarantee and is governed by its Memorandum and Articles of Association.

The Council of Management, which comprises the trustees/directors of the company, meets regularly and approves all material decisions. The trustees are appointed under the governing instrument which gives the trustees the power to invest the monies of the company not immediately required for its objectives in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions as may for the time being be imposed or required by law. The trustees have appointed the Company Secretary to manage the day to day activities of the charity and to report to them at the Trustees' meetings twice each year.

The company has been approved by and registered as a charity with the Charity Commissioners (number 1060319). The trustees have adopted the provisions of 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) in preparing the annual report and the financial statements of the charity.

**Organisational structure**

The company, not having a share capital, is limited by guarantee. The trustees are the only members of the company. Each member of the company undertakes to contribute up to £1 to the assets of the company in the event of the company being wound up.

**Appointment, induction and training of new trustees**

Trustees are appointed from the Institutions in note 15 to the financial statements. They are qualified individuals and are given induction training by the departing trustee that they are replacing on the Board.

**Insurance of trustees**

Insurance is maintained for the trustees in respect of their duties.

**Related parties**

Details regarding related party transactions are disclosed fully in note 15 to the financial statements.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have identified the major risks to which the charity is exposed and are satisfied that the systems in place to mitigate those risks are adequate. These risks are reviewed twice each year at the meetings of the trustees.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03266231 (England and Wales)

**Registered Charity number**

1060319

**A F TRUST COMPANY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2017**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered office**  
36 Church End Lane  
Tilehurst  
Reading  
Berkshire  
RG30 4UU

**Trustees**  
M Wynne-Jones  
A Connolly  
C Wright - resigned 6.10.2017  
S Foley - appointed 25.5.2017

The trustees for the purpose of charity law are also the directors for the purpose of company law. The trustees of the company during the year to 31 July 2017 were as above.

**Company Secretary**  
P D Welch

**Auditors**  
M R Salvage Limited  
Chartered Accountants  
and Statutory Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Buckinghamshire  
SL8 5YS

**Solicitors**  
Shoesmiths  
Regents Gate  
Crown Street  
Reading  
Berkshire  
RG1 2PQ

**Bankers**  
The Royal Bank of Scotland plc  
Reading Branch  
Brunel House  
17/27 Station Road  
Reading  
RG1 1LG

**A F TRUST COMPANY**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2017**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of A F Trust Company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

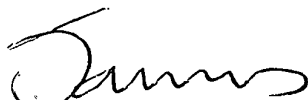
In so far as the trustees are aware:

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

**AUDITORS**

M R Salvage Limited will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 13 November 2017 and signed on its behalf by:



S Foley - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**A F TRUST COMPANY**

**Opinion**

We have audited the financial statements of A F Trust Company (the 'charitable company') for the year ended 31 July 2017 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the 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 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 company and the 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 July 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors' 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 annual report, other than the financial statements and our Report of the Independent Auditors 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.

**Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**A F TRUST COMPANY**

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

In the light of the 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities set out on page four, 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.

**Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

*M R Salvage Limited*

Meyrick Field FCA (Senior Statutory Auditor)  
for and on behalf of M R Salvage Limited  
Chartered Accountants  
and Statutory Auditors  
7/8 Eghams Court  
Boston Drive  
Bourne End  
Buckinghamshire  
SL8 5YS

Date: ..... *22/12/2017* .....



**A F TRUST COMPANY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 JULY 2017**

		2017 Unrestricted funds £	2016 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Rental income	2	509,250	509,250
Investment income	3	<u>197,051</u>	<u>209,078</u>
<b>Total</b>		706,301	718,328
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>	4		
Charitable donations	5	25,000	-
Interest payable and support costs	6	201,743	212,855
Rental expense		<u>485,000</u>	<u>485,000</u>
<b>Total</b>		<u>711,743</u>	<u>697,855</u>
 <b>NET INCOME/(EXPENDITURE)</b>		(5,442)	20,473
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		355,107	334,634
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<u>349,665</u>	<u>355,107</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

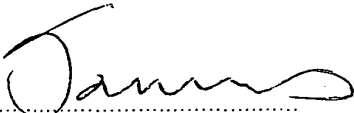
**A F TRUST COMPANY**

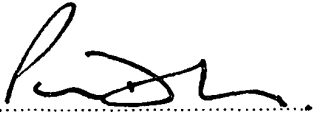
**BALANCE SHEET**  
**AT 31 JULY 2017**

	Notes	2017 Unrestricted funds £	2016 Total funds £
<b>CURRENT ASSETS</b>			
Debtors	11	7,223,801	7,026,742
Cash at bank		<u>10,776</u>	<u>25,326</u>
		7,234,577	7,052,068
<b>CREDITORS</b>			
Amounts falling due within one year	12	(6,884,912)	(6,696,961)
		<u>349,665</u>	<u>355,107</u>
<b>NET CURRENT ASSETS</b>			
		<u>349,665</u>	<u>355,107</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>349,665</u>	<u>355,107</u>
<b>NET ASSETS</b>			
		<u>349,665</u>	<u>355,107</u>
<b>FUNDS</b>	13		
Unrestricted funds		<u>349,665</u>	<u>355,107</u>
<b>TOTAL FUNDS</b>		<u>349,665</u>	<u>355,107</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 13 November 2017 and were signed on its behalf by:

  
S Foley -Trustee

  
P D Welch – Company Secretary

The notes form part of these financial statements

**A F TRUST COMPANY**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(14,550)</u>	<u>10,487</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(14,550)</u>	<u>10,487</u>
<b>Cash flows from investing activities:</b>			
Interest received		<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(14,550)</u>	<u>10,487</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>25,326</u>	<u>14,839</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>10,776</u>	<u>25,236</u>

The notes form part of these financial statements

A F TRUST COMPANY

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(5,442)	20,473
Adjustments for:		
Increase in debtors	(197,059)	(209,095)
Increase in creditors	<u>187,951</u>	<u>199,109</u>
Net cash provided by (used in) operating activities	<u>(14,550)</u>	<u>10,487</u>

## A F TRUST COMPANY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The charity defers income on rent received in advance as laid down in the lease agreements.

Discounts received and given on rents are shown net within the financial statements.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

##### **Interest**

Interest receivable and payable on accrued rentals is shown gross in the financial statements.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Within unrestricted funds there are certain designated funds. The trustees may at their discretion set aside funds for specific purposes, which would otherwise form part of the general reserves of the charity. Transfers are made between the funds within the term of the Trust.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**A F TRUST COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 JULY 2017**

**1. ACCOUNTING POLICIES - continued**

**Grants payable**

Grants payable are accounted for in the period in which the commitment is made except to the extent that the liability will be met from future income.

**Irrecoverable VAT**

Irrecoverable VAT is written off against the related expense in the Statement of Financial Activities.

**Financial Instruments**

The company has basic financial instruments such as cash at bank, accrued income receivable and creditors payable. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**2. RENTAL INCOME**

	2017	2016
	£	£
Rental income	<u>509,250</u>	<u>509,250</u>

The company provides property services and leasing facilities to several educational establishments in the United Kingdom. The company leases buildings from educational establishments and then enters into lease-back arrangements with them on an arm's length basis.

**3. INVESTMENT INCOME**

	2017	2016
	£	£
Interest receivable	<u>197,051</u>	<u>209,078</u>

**4. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (See note 5)	Support costs (See note 6)	Totals
	£	£	£
Charitable donations	<u>25,000</u>	<u>201,743</u>	<u>226,743</u>

**5. GRANTS PAYABLE**

	2017	2016
	£	£
Charitable donations	<u>25,000</u>	<u>-</u>

# **A F TRUST COMPANY**

## **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED** **FOR THE YEAR ENDED 31 JULY 2017**

### **5. GRANTS PAYABLE - continued**

The company incurred direct charitable expenditure in the year of £25,000 (2016: £nil). All of this expenditure was to educational establishments detailed as follows:

		2017 £	2016 £
University of Nottingham	Provision of specialist facilities for disabled students in the Medical School	10,500	-
University of Reading	Project to enhance student engagement	10,500	-
University of Exeter	Exeter care homes reading project	2,000	-
Royal Academy of Music	Student scholarship	2,000	-
		<u>25,000</u>	<u>-</u>
Total charitable donations		<u>25,000</u>	<u>-</u>

### **6. SUPPORT COSTS**

	2017 £	2016 £
Bank charges	99	100
Interest payable	187,652	199,108
Accountancy	8,054	8,044
Auditors' remuneration	4,800	4,500
Insurance	1,138	1,103
	<u>201,743</u>	<u>212,855</u>

### **7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2017 £	2016 £
Auditors' remuneration	4,800	4,500
Other operating leases	<u>485,000</u>	<u>485,000</u>

### **8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2017 nor for the year ended 31 July 2016.

#### **Trustees' expenses**

No directors received any fees or emoluments in the year.

Indemnity insurance has been purchased during the year from funds belonging to the charity to protect the directors against any legal obligations which may arise at a future date. The total cost to the charity was £1,138 (2016: £1,103).

### **9. STAFF COSTS**

There were no staff costs for the year ended 31 July 2017 nor for the year ended 31 July 2016.

No employees received emoluments more than £60,000.

A F TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 JULY 2017

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £
<b>INCOME AND ENDOWMENTS FROM</b>	
Rental income	509,250
Investment income	<u>209,078</u>
<b>Total</b>	<u>718,328</u>
 <b>EXPENDITURE ON</b>	
<b>Charitable activities</b>	
Charitable donations	-
Interest payable and support costs	212,855
Rental expense	<u>485,000</u>
<b>Total</b>	<u>697,855</u>
 <b>NET INCOME/(EXPENDITURE)</b>	 20,473
 <b>RECONCILIATION OF FUNDS</b>	
Total funds brought forward	<u>334,634</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	 <u><u>355,107</u></u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Prepayments	1,064	1,040
Accrued income	<u>7,222,737</u>	<u>7,025,702</u>
	<u><u>7,223,801</u></u>	<u><u>7,026,742</u></u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	360	-
VAT	750	811
Accruals and other creditors	<u>6,883,802</u>	<u>6,696,150</u>
	<u><u>6,884,912</u></u>	<u><u>6,696,961</u></u>



**A F TRUST COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 JULY 2017**

**13. MOVEMENT IN FUNDS**

	At 1.8.16 £	Net movement in funds £	At 31.7.17 £
<b>Unrestricted funds</b>			
General fund	355,107	(5,442)	349,665
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>355,107</u>	<u>(5,442)</u>	<u>349,665</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	706,301	(711,743)	(5,442)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>706,301</u>	<u>(711,743)</u>	<u>(5,442)</u>

The total accumulated fund at 31 July 2017 of £349,665 (2016: £355,107) is unrestricted and is expendable at the discretion of the directors and will be applied towards the promotion of the objects of the company.

**Designated Funds**

The total accumulated fund of the charity includes the designated funds which have been set aside out of general funds by the directors.

The designated funds have been allocated for donations to higher educational institutions in England.

At 31 July 2017, the company had set aside £nil (2016: £25,000) for such donations payable during 2017/2018.

**14. OTHER FINANCIAL COMMITMENTS**

The company has entered into operating leases with several educational establishments. Amounts that have been prepaid are included in prepayments above, where applicable (see note 11). In all cases, payments under operating leases give rise to income streams such that there is no material financial commitment.

A F TRUST COMPANY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 JULY 2017

**15. RELATED PARTY DISCLOSURES**

The directors and members of the company, who served during the year and are set out below, are employees or former employees of the following higher educational institutions with which the company has entered into property lease agreements. The combination of the following higher educational institutions noted below is considered to be the ultimate controlling party.

Directors and members	Related higher educational institutions
M Wynne-Jones	University of Nottingham
A Connolly	University of Exeter
C Wright	University of Reading
S Foley	University of Reading

M Wynne-Jones retired from the University of Nottingham in October 2013 but continues to be the designated representative on the Council of Management for A F Trust Company.

Specifically, the following transactions and balances have arisen between the company and the higher educational institutions above:

- a) Rental income for the year of £509,250 (2016: £509,250) and rental expenses of £485,000 (2016: £485,000) included in the Statement of Financial Activities represents the rent receivable and payable from these higher educational institutions during the year.
- b) Interest receivable of £197,051 (2016: £209,078) and interest payable of £187,652 (2016: £199,108) included in the Statement of Financial Activities represents the interest receivable and payable to these higher educational institutions during the year.
- c) Rent prepayments and debtors of £7,222,737 (2016: £7,025,702) (see note 10) and deferred rent balances and creditors of £6,878,802 (2016: £6,691,150) (see note 11) relate to sums receivable from and due to the above higher educational institutions.
- d) Charitable donations of £23,000 (2016: £nil) were made during the year to the above higher educational institutions.

**16. ULTIMATE CONTROLLING PARTY**

The company was controlled throughout this and the preceding year by the trustees.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General fund £	Designated fund £	At 31.07.17 £
Current assets	7,223,801	-	7,223,801
Current liabilities	(6,884,912)	-	(6,884,912)
	<u>349,665</u>	<u>-</u>	<u>349,665</u>