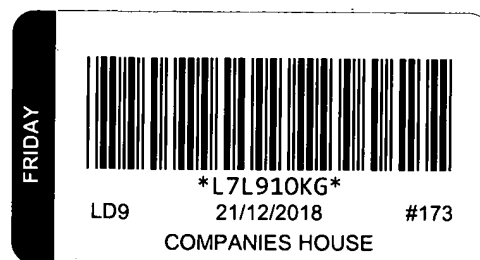


The Rothschild Archive Limited

A charitable company limited by guarantee

Report and financial statements

For the year ended 31 March 2018



The Rothschild Archive Limited

Contents

Charity details	3
Report of the Directors	4 - 8
Independent auditors' report	9 - 11
Statement of financial activities	12
Summary income and expenditure	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 22

The Rothschild Archive Limited

Charity details

DIRECTORS AND TRUSTEES:

Baron Eric de Rothschild (Chairman)
Julien de Beaumarchais
Professor Sir David Cannadine
Anthony Chapman
John Grimond
Alice Rothschild
Baroness Ariane de Rothschild
Professor Emma Rothschild
Lionel de Rothschild
David Todd

SECRETARY:

Melanie Aspey

REGISTERED OFFICE:

New Court
St Swithin's Lane
London
EC4N 8AL

INDEPENDENT AUDITORS:

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

INVESTMENT MANAGERS:

Rothschild Wealth Management (UK) Limited
New Court
St Swithin's Lane
London
EC4N 8AL

Report of the Directors

The Directors, who are also the trustees of The Rothschild Archive Limited ("the charity"), present their Directors' report and financial statements for the year ended 31 March 2018, which have been prepared in accordance with the accounting policies set out on pages 15-16 and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011, Companies Act 2006 and 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. The information on page 3 forms part of this report.

Governing Documents

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 January 1999.

Objects and Strategy

The charity's objects are to advance education for the public benefit by the acquisition, preservation and maintenance of the books, letters, manuscripts, other papers, chattels or artefacts which are or were previously in the ownership of the Rothschild family or the Rothschild family businesses for study by such scholars and other purposes as the charity considers appropriate. In particular, the charity will seek to encourage and develop increased access to these materials by the academic community and to make them more widely available by publication, exhibition and electronic distribution.

The Directors regularly review the charity's objects and activities to ensure they continue to reflect these aims. As part of these reviews, the Directors have considered the Charity Commission's general guidance on public benefit.

The charity has granted a licence in respect of the archive to N M Rothschild & Sons Limited. Under the licence, N M Rothschild & Sons Limited maintains and administers the archive at its sole expense in furtherance of the charity's objectives and under the overall direction of the Directors of the charity. In return, N M Rothschild & Sons Limited enjoys certain rights to exploit the archive for the purposes of its business.

Structure governance and management

The Directors (who are also the trustees for the purposes of charity law) of the charity who held office during the year, and to the date of this report, were as follows:

Baron Eric de Rothschild (Chairman)
Julien de Beaumarchais
Professor Sir David Cannadine
Anthony Chapman
John Grimond
Nigel Higgins (resigned 12 October 2018)
Alice Rothschild
Baroness Ariane de Rothschild
Professor Emma Rothschild
Lionel de Rothschild
David Todd

The number of Directors shall not be less than three and shall not exceed eleven. At all times a majority of the Directors shall be members of the Rothschild family. New Directors may be appointed by current Directors to fill a casual vacancy or as additional trustees. Such appointments shall be confirmed by the members by ordinary resolution. The board may appoint one of their number to be Chairman. The quorum for Directors' meetings is one third of the board of Directors and attendance may be by conference phone call. The Directors have established an investment sub-committee and an academic sub-committee. The Directors may delegate any of their powers to a committee consisting of one or more Directors. The board of Directors meets regularly as required.

The Directors have been supported throughout the year by the Secretary to the charity, and by the staff of the Archive.

The Directors consider that the board of Directors, who are the charity's trustees, comprise the key management personnel of the charity in charge of directing, controlling and managing the charity on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 5 and 13 to the accounts.

New members of the board are provided with the published guidance for trustees issued by the Charity Commission and directed to the resources available on the organisation's website. Previous publications and accounts of the Archive are also made available. New members additionally meet with the Secretary, in advance of their first board meeting, so that they can familiarise themselves with the work of the Archive.

Achievements and performance

Directors meet regularly to review the work carried out by the archivists in support of the educational objects of the Trust.

The Directors are keen to develop the Archive's collections to support a wide range of users. The staff of the Archive provides support to hundreds of researchers from numerous countries, guiding them to appropriate sources in preparation for their visits to the reading room and carrying out some detailed research on behalf of those unable to travel. The Archive's Reading Room in London is open five days a week.

The website continues to be the Archive's central information resource. Pages are continually updated, edited and revised, with over 350 individual pages and sections on the public website alone.

Despite the increasing availability of materials on the Archive's Rothschild Research Forum, production of items for visiting researchers shows an upward trend. Analysis suggests that approximately 1,000 items – i.e. individual boxes, files, or artefacts – will be delivered for use by researchers in the calendar year 2018.

A limited number of Bursaries are available each year to assist research projects that involve substantial use of The Rothschild Archive's collections. The bursaries are primarily intended to facilitate international travel by doctoral students and early career academics. Recipients are usually researchers based outside the United Kingdom who wish to use the Archive's collections in London and researchers based outside France who wish to use the Archive's collections deposited with the Archives Nationales du Monde du Travail in Roubaix. The Bursaries are not intended to cover the full cost of any period of research in the Archive, but are designed to provide practical assistance with travel, accommodation or incidental costs associated with such work. Bursaries may be granted up to a maximum of £3,000 per applicant. Further details may be found on the Archive's website: https://www.rothschildarchive.org/archive/rothschild_archive_bursary/bursary.

The participation of the archivists in conferences and workshops stimulates a wider appreciation of the strengths of the collections and leads to greater usage of material through visits to the Reading Room or via the Archive's website. During the year the Archive was represented at several events, including the International Council on Archives' Section on Business Archives conference; the annual conference of the Vereinigung deutscher Wirtschaftsarchivare, Duesseldorf; the European Association for Banking and Financial History's annual conference.

The Archive hosted the British launch of a three-volume publication by Pauline Prevost Marcilhacy, *Les Rothschild: Une Dynastie de Mécènes en France*, which is the result of a major research project involving dozens of collaborators. The individual contributors to the project made extensive use of the Archive's resources to support their work.

The Archive has developed a research project with Dr Fergal O'Connor of the University of York to compile for the first time a complete daily dataset of the London Gold Fixings prices from its inception in September 1919 to 1968, after which daily data is freely available. This work will extend the daily gold price data back to beginning of the Fixing from sources which are trustworthy and readily verifiable. The results will be exclusively available on the Rothschild Research Forum on the Archive's website to coincide with the centenary of the Gold Fixing in 1919.

The Archive supports the community investment programme of N M Rothschild & Sons Limited by running interactive sessions with small groups of schoolchildren drawn from partnership schools. Key images from the Archive's collections are used to stimulate discussion about the nature of banking, the evolution of working life, the development of environmental concerns, etc.

Staff of the Archive have met representatives of family businesses from several countries who wish to create archives services based on their own collections.

The Archive has also contributed to national UK campaigns to promote archives through the 'Explore Your Archive' campaign run by The National Archives at Kew and the Archives & Records Association (UK and Ireland). The staff hosted open day exhibitions at New Court for staff, friends and colleagues to demonstrate the work of the Archive in particular, but also the importance of preserving archives in their many formats and guises.

Future plans

The work programme for the next year includes the enhancement of a digital repository for born-digital archives; further, in-depth cataloguing of the collections to bring the archives to the attention of researchers and the launch of a second transcription project with volunteers.

Fundraising

The Trustees take seriously their responsibilities under the Charities (Protection and Social Investment) Act 2016 in respect of fundraising activities. The Archive is supported by a number of businesses and foundations controlled by members of the Rothschild family. It does not carry out any fundraising activity in order to raise funds from the general public. The Archive does not work directly with commercial sponsors or engage professional fundraisers. The Trustees are not aware of any complaints made in respect of fundraising during the year.

Further information on the Archive's collections and activities can be found on the website: <https://www.rothschildarchive.org/>

Review of financial position and reserves policy

During the year, the Archive received income of £1,398,214 (2017: £1,335,636) of which £1,218,000 (2017: £1,170,000) related to donated services and, £30,112 (2017: £23,281) related to additions to the Archive. The income was applied to furthering the objects of the charity.

The net assets of the charity increased by £2,795,538 during the year to £22,544,390 (2017: £19,748,852), largely due to revaluation gains on the heritage assets held.

The unrestricted funds at 31 March 2018 of £100,390 will be retained to finance the charity's policy of charitable support. The restricted funds at 31 March 2018 will be retained to build a reserve against future need in relation to the long-term welfare of the collections in the Archive.

The Directors consider that no target is necessary for free reserves. Running costs are secured from N M Rothschild & Sons and the free reserve funds are adequate to support the small number of transactions each year.

Investment policy

The Directors intend that the real value of the charity's funds be maintained and enhanced over the long term by investment in a suitable portfolio. The Directors have appointed Rothschild Wealth Management (UK) Limited as discretionary investment managers.

The principal objective of the investment strategy is capital preservation with a focus on safety, consistent with a tolerance for low risk of capital loss and low volatility of return.

Grant policy

A limited number of Rothschild Archive Bursaries are available for researchers in full time education who are pursuing research projects that will involve substantial use of The Rothschild Archive. The bursaries are designed to provide practical assistance with travel, accommodation or incidental costs associated with such work, rather than covering the full cost

of research. The maximum sum usually granted to a successful applicant is £3,000. The Bursary and Education Committee reviews each application.

Guarantors

At 31 March 2018, there were eleven members of the charity, being the eleven trustees listed on page 4. The liability of each of the members of the charity in the event of a winding-up is limited by guarantee to £1.

Internal controls and the mitigation of major risks

The Directors have identified and reviewed the major risks of the charity which are the safeguarding of assets held and market risks relating to the holding of investments. Internal controls to mitigate these risks, including an annual review, have been established. The Directors confirm that the controls implemented are appropriate to the size of the charity and the nature of its operation.

Statement of Directors' responsibilities

The Directors (who are also the trustees for the purposes of charity law) are responsible for preparing the report of the Directors and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Company law requires the Directors to prepare financial statements for each financial period 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that 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.

Statement as to disclosure of information to auditor

The Directors who were in office at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Saffery Champness LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Board

Melanie Aspey

Melanie Aspey, Secretary
New Court, St Swithin's Lane, London EC4N 8AL
17 December 2018

Independent auditor's report to the members of The Rothschild Archive Limited

Opinion

We have audited the financial statements of Rothschild Archive Limited for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows 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).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 March 2018 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 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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 Directors are responsible for the other information. The other information comprises the information included in the 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.

Independent auditors' report to the members of The Rothschild Archive Limited (continued)

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.

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

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 Directors.

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 Directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities set out on page 6-7, the Directors (who are also trustees of the charitable company for the purposes of charity 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 Directors 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 Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Independent auditors' report to the members of The Rothschild Archive Limited (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

Use of our report

This report is made solely to the charitable company's members and the Directors, 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, the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Liz Hazell (Senior Statutory Auditor)

For and on behalf of

Saffery Champness LLP
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: 19 December 2018.

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities

For the year ended 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations	2(a)	-	1,318,251	30,112	1,348,363	1,295,303
Investments	2(b)	-	44,830	-	44,830	40,333
FX Gains		-	5,021	-	5,021	-
		-	1,368,102	30,112	1,398,214	1,335,636
Expenditure:						
Raising funds	3	-	29,912	-	29,912	26,391
Charitable activities	4	8,940	1,218,000	-	1,226,940	1,182,489
		8,940	1,247,912	-	1,256,852	1,208,880
	5	(8,940)	120,190	30,112	141,362	126,756
Net (losses)/gains on investments	7	-	94,908	-	94,908	395,018
Net income/(expenditure)		(8,940)	215,098	30,112	236,270	521,774
Gains on revaluation of fixed assets	6	-	-	2,559,268	2,559,268	-
		(8,940)	215,098	2,589,380	2,795,538	521,774
Total funds brought forward		109,330	4,172,099	15,467,423	19,748,852	19,227,078
Total funds carried forward	10	100,390	4,387,197	18,056,803	22,544,390	19,748,852

All income arises from continuing activities of the Charity. The Charity had no recognised gains or losses other than those dealt with in the statement of financial activities.

Summary income and expenditure

For the year ended 31 March 2018

	2018 £	2017 £
Total income	1,368,102	1,312,355
Total expenditure	(1,256,852)	(1,208,880)
Unrealised and unrealised gains on revaluation of investments	94,908	395,018
Surplus for the year	206,158	498,493

Total income comprises £1,368,102 for restricted funds and £nil for unrestricted funds. Expenditure comprises £1,247,912 for restricted funds and £8,940 for unrestricted funds. The revaluation of investments excludes the permanent endowment funds.

A detailed analysis of income and expenditure by source is provided in the Statement of financial activities.

The summary Income and Expenditure Account is derived from the Statement of financial activities which together with the notes to the financial statements on pages 15 to 22 provide full information on the movement during the year on all funds of the charity.

The notes on pages 15 to 22 form an integral part of these financial statements

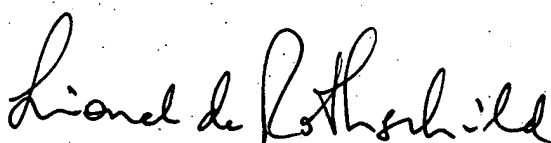
Balance sheet

At 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Heritage assets	6	18,722,222	16,132,842
Investments	7	3,721,814	3,372,111
		22,444,036	19,504,953
Current assets			
Debtors	8	6,982	-
Cash and cash equivalents		125,712	267,299
		132,694	267,299
Current liabilities			
Creditors	9	32,340	23,400
		100,354	243,899
Net current assets		100,354	243,899
Total assets less current liabilities		22,544,390	19,748,852
Funds			
Endowments	10	7,319,184	7,289,072
Revaluation reserve		10,737,619	8,178,351
		18,056,803	15,467,423
Restricted	10	4,387,197	4,172,099
Unrestricted	10	100,390	109,330
		22,544,390	19,748,852
Total charity funds		22,544,390	19,748,852

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

The accounts on pages 12 to 22 were approved by the Board of Directors and were signed on its behalf by:



Lionel de Rothschild, Trustee
17 December 2018

The notes on pages 15 to 22 form an integral part of these financial statements

Statement of cash flows

For the year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net income for the year		2,795,538	521,774
Adjustments for:			
Donated assets	2a	(30,112)	(23,281)
Investment income	2b	(44,830)	(40,333)
Investment management fees	3	29,912	26,391
Gains on revaluation of heritage assets	6	(2,559,268)	-
Net gains on investments	7	(94,908)	(395,018)
(increase)/decrease in debtors	8	(6,982)	9,335
Increase/(decrease) in creditors	9	8,940	(600)
Net cash flows from operating activities		98,290	98,268
Cash flows from investing activities			
Dividends and interest from investments	2b	44,830	40,333
Investment management fees	3	(29,912)	(26,391)
Purchase of investments	7	(720,378)	(777,077)
Proceeds from sale of investments	7	466,708	909,081
Net movement in managed cash balance	7	(1,125)	(131,887)
Net cash flows from investing activities		(239,877)	14,059
Change in cash and cash equivalents in reporting period		(141,587)	112,327
Cash and cash equivalents brought forward		267,299	154,972
Cash and cash equivalents carried forward		125,712	267,299

The notes on pages 15 to 22 form an integral part of these financial statements

Notes to the financial statements

(forming part of the financial statements)

1. Summary of significant accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed asset investments, and applicable accounting standards in the United Kingdom. The financial statements have been prepared in £ sterling and 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 issued in July 2014 (Charities SORP (FRS 102)), the Companies Act 2006 and the Charities Act 2011.

The principal accounting policies set out below have been consistently applied in the presentation of the financial statements except where noted.

The Charity constitutes a public benefit entity as defined by Financial Reporting Standard 102 (FRS102).

At the time of preparing these accounts the Directors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Voluntary income

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Investment income

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

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Donated services and gifts in kind

Donated professional services and gifts in kind are recognised as income when the charity has entitlement, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and gifts in kind are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements

(forming part of the financial statements)

Summary of significant accounting policies (continued)

Expenditure

Expenditure (including VAT) is recognised on an accruals basis as a liability is incurred. The charity is not able to reclaim VAT incurred on its expenditure.

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity. Grants are recognised in full in the statement of financial activities in the year in which the award is made.

Heritage assets

Heritage assets are recognised in the balance sheet at a valuation determined by the Directors. Professional valuations of the archive occur on a periodic basis and the Directors review the carrying value in the intervening periods. No depreciation has been provided as the assets are carried at valuation. Any gifts of archive assets are treated as heritage assets and included at valuation.

Investments

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 market value. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

Fund accounting

The unrestricted funds comprise those monies which may be used towards meeting the charitable objects of the charity at the discretion of the Directors.

The restricted funds comprise those monies subject to donor imposed conditions.

The endowment fund comprises those inalienable heritage assets and funds that have been donated to the charity subject to the restriction that they must be held as capital and used towards meeting the charitable objects of the charity.

Liabilities

Liabilities are recognised when the entity has an obligation to transfer economic benefits as a result of past transactions or events.

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.

Significant judgements

The Directors consider that the most significant judgement area in the application of the accounting policies is the valuation of heritage assets which is set out in note 6.

Notes to the financial statements

(forming part of the financial statements)

2. Income and endowments

a. Donations

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £
Income and endowments from:				
Monetary donations	-	100,251	-	100,251
Donated gifts and services	-	1,218,000	30,112	1,248,112
	-	1,318,251	30,112	1,348,363

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £
Income and endowments from:				
Monetary donations	-	102,022	-	102,022
Donated gifts and service	-	1,170,000	23,281	1,193,281
	-	1,272,022	23,281	1,295,303

The donated gifts and services were applied to the activities of the charity as follows:

	2018 £	2017 £
Running costs of the charity at valuation	1,218,000	1,170,000
Tangible fixed asset additions at valuation	30,112	23,281
	1,248,112	1,193,281

b. Investment income

	2018 £	2017 £
Listed investments:		
UK fixed interest income	1,336	1,967
UK dividend income	15,687	13,244
Overseas equities	13,842	11,096
Unlisted investments:		
UK dividend income	13,965	13,965
	44,830	40,272
Bank interest	-	61
	44,830	40,333

3. Raising funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £
Investment management fees	-	29,912	-	29,912

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £
Investment management fees	-	26,391	-	26,391

Notes to the financial statements

(forming part of the financial statements)

4. Charitable activities

	Unrestricted funds	Restricted funds	Endowment funds	Total 2018
	£	£	£	£
Audit and accountancy	8,940	-	-	8,940
Donated services	-	1,218,000	-	1,218,000
	8,940	1,218,000	-	1,226,940

	Unrestricted funds	Restricted funds	Endowment funds	Total 2017
	£	£	£	£
Bursaries awarded to individuals	2,000	-	-	2,000
Audit and accountancy	10,200	-	-	10,200
Other expenses	289	-	-	289
Donated services	-	1,170,000	-	1,170,000
	12,489	1,170,000	-	1,182,489

Donated services include an estimate of the value of services, offices, archive storage and staff time received.

Amounts payable to the auditor were as follows:

	Unrestricted funds	Restricted funds	Endowment funds	Total 2018	Total 2017
	£	£	£	£	£
Audit fee (including VAT)	7,500	-	-	7,500	7,200
Audit fee - underprovision	240	-	-	240	2,400
Other services	1,200	-	-	1,200	600
	8,940	-	-	8,940	10,200

5. Staff costs and directors remuneration

No staff are employed by the charity and day to day operations are carried out by employees of N M Rothschild & Sons Limited. The costs of those employees, who are not considered to be key management personnel, are included as donated income and in the donated services expense in the statement of financial activities.

No emoluments or expenses were paid to the Directors during the year in respect of their services to the charity (2017: £nil).

Notes to the financial statements

(forming part of the financial statements)

6. Heritage assets

	2018	2017
Cost/valuation	£	£
At 1 April	16,132,842	16,109,561
Additions during the year	30,112	23,281
Gains on revaluation	2,559,268	-
At 31 March	18,722,222	16,132,842

The charity holds an archive of books, letters, manuscripts, other papers, chattels and artefacts which are or were previously in the ownership of the Rothschild family or Rothschild family businesses (the "Archive"). The Archive consists of approximately 2 million items and occupies 2,650 linear metres of shelving. A professional valuation of the Archive was performed by L & J Gull Fine Arts in December 2017 which was based on replacement value and ascribed an uplift in value of £2,559,268. All subsequent additions are included at cost or, in the case of items donated, at valuation. The Directors are of the opinion that the carrying value of the Archive as at 31 March 2018 is a valid approximation of fair value.

Gold bars with a book value of £275,472 are also included in heritage assets. These gold bars are representative of those produced at the Royal Mint Refinery, a business operated by N M Rothschild & Sons Limited from 1852 to 1968. At 31 March 2018, the market value of the gold in these bars was £1,197,111 (2017: £1,269,816).

The charity seeks to encourage and develop increased access to the Archives by the academic community and to make them more widely available by publication, exhibition and electronic distribution. The charity rarely disposes of any of these assets. A detailed register of the assets held by the Archive is kept by the Charity.

The Archive is open to bona fide researchers by appointment only Monday to Friday (excluding public holidays). Archive material dated post 1945 is generally not available to researchers.

Five year financial summary of transactions relating to heritage assets:

	2018	2017	2016	2015	2014
	£	£	£	£	£
Purchase at cost or valuation	-	-	-	-	4,080
Donations at valuation	30,112	23,281	29,839	9,407	98,475
Total additions	30,112	23,281	29,839	9,407	102,555

There have been no disposals of heritage assets in any of the last five accounting periods and no impairment has been considered necessary.

Notes to the financial statements

(forming part of the financial statements)

7. Investments

	2018	2017
	£	£
At 1 April	3,372,111	2,977,210
Additions at cost	720,378	777,077
Sale proceeds from disposals	(466,708)	(909,081)
Realised and unrealised gains	94,908	395,018
Net cash movements	1,125	131,887
At 31 March	3,721,814	3,372,111

Investments comprise:

	2018	2017
	£	£
Listed investments:		
UK fixed interest securities	795,983	515,429
UK equities and equity funds	425,811	466,820
Overseas equities and equity funds	1,642,529	1,596,397
Hedge funds	430,240	458,562
Money market	232,756	197,505
Other	13,615	4,398
Unlisted investments:		
UK equities	180,880	133,000
	3,721,814	3,372,111
Historical cost	3,139,951	2,752,800

8. Debtors

	2018	2017
	£	£
Dividends receivable	6,982	-
	6,982	-

9. Creditors

	2018	2017
	£	£
Accruals	15,000	15,000
Other creditors	17,340	8,400
	32,340	23,400

Notes to the financial statements

(forming part of the financial statements)

10. Funds

	At 1 April 2017	Income	Expenses	Revaluation of heritage assets	Revaluation of investments	At 31 March 2018
	£	£	£	£	£	£
Unrestricted fund	109,330	-	(8,940)	-	-	100,390
Restricted funds:						
Scientists project	23,088	-	-	-	-	23,088
Archive	4,149,011	1,368,102	(1,247,912)	-	94,908	4,364,109
Endowment fund	15,467,423	30,112	-	2,559,268	-	18,056,803
	19,748,852	1,398,214	(1,256,852)	2,559,268	94,908	22,544,390

	At 1 April 2016	Income	Expenses	Revaluation of heritage assets	Revaluation of investments	At 31 March 2017
	£	£	£	£	£	£
Unrestricted fund	121,758	61	(12,489)	-	-	109,330
Restricted funds:						
Scientists project	23,088	-	-	-	-	23,088
Archive	3,638,090	1,312,294	(1,196,391)	-	395,018	4,149,011
Endowment fund	15,444,142	23,281	-	-	-	15,467,423
	19,227,078	1,335,636	(1,208,880)	-	395,018	19,748,852

There is an agreement in place whereby all income from various parts of the Rothschild business and family is treated as restricted and is to be utilised in maintaining the Archive in the event of the Rothschild business withdrawing support.

11. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£	£	£	£
Heritage assets	-	665,419	18,056,803	18,722,222
Investments	-	3,721,814	-	3,721,814
Current assets	117,730	14,964	-	132,694
Current liabilities	(17,340)	(15,000)	-	(32,340)
At 31 March 2018	100,390	4,387,197	18,056,803	22,544,390

	£	£	£	£
Heritage assets	-	665,419	15,467,423	16,132,842
Investments	-	3,372,111	-	3,372,111
Current assets	117,730	149,569	-	267,299
Current liabilities	(8,400)	(15,000)	-	(23,400)
At 31 March 2017	109,330	4,172,099	15,467,423	19,748,852

12. Liability of members

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability of the members is limited to £1 each.

Notes to the financial statements

(forming part of the financial statements)

13. Transactions with related parties

Related parties are defined in the Statement of Recommended Practice applicable to charities and include trustees, families of trustees and entities with which trustees have a significant interest in or significant influence over. The tables below exclude donations from related parties.

Amounts receivable from related parties are as follows:

		2018 £	2017 £
Rothschild Bank International Limited	Cash and cash equivalents	125,712	267,299
Rothschilds Continuation Limited	Investment	180,880	133,000
		306,592	400,299

Amounts recognised in the statement of financial activities were as follows:

		2018 £	2017 £
NM Rothschild & Sons Limited	Interest received	-	61
Rothschilds Continuation Limited	Dividend income	13,965	13,965
Rothschild Wealth Management (UK) Limited	Investment management fees paid	(29,682)	(26,179)
NM Rothschild & Sons Limited	Donated services	1,218,000	1,170,000
		1,202,283	1,157,847

14. Statement of financial activities for the year ended 31 March 2017

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £
Income and endowments from:					
Donations	2(a)	-	1,272,022	23,281	1,295,303
Investments	2(b)	61	40,272	-	40,333
		61	1,312,294	23,281	1,335,636
Expenditure:					
Raising funds	3	-	26,391	-	26,391
Charitable activities	4	12,489	1,170,000	-	1,182,489
		12,489	1,196,391	-	1,208,880
Net (losses)/gains on investments	7	-	395,018	-	395,018
Net movement on funds		(12,428)	510,921	23,281	521,774
Total funds brought forward		121,758	3,661,178	15,444,142	19,227,078
Total funds carried forward	10	109,330	4,172,099	15,467,423	19,748,852