

THE ATD FOURTH WORLD TRUST

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2017

RPG CROUCH CHAPMAN LLP
Chartered Accountants
62 Wilson Street
London EC2A 2BU

THE ATD FOURTH WORLD TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION AS AT 31ST DECEMBER 2017

CHARITY NUMBER:	271784
PRINCIPAL ADDRESS:	48 Addington Square London SE5 7LB
TRUSTEES:	C. Bloomfield P. Daniels P. Paroissien V. Reboul-Salze I. Pypaert-Perrin S. Baker
AUDITORS:	RPG Crouch Chapman LLP 62 Wilson Street London EC2A 2BU
BANKERS:	HSBC Bank Plc Camberwell Green Branch 23 Denmark Hill Camberwell Green London SE5 8RP Cater Allen Bank 9 Nelson Street Bradford BD1 5AN

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements for the 12 months ended 31st December 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 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 published on 16th July 2014.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. In particular the charity has provided significant relief from poverty to families in the UK and overseas.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is a registered charity, number 271784. The Trust was established by its governing document, the Deed of Trust dated 13th July 1976.

The Trustees who have served during the year were:

C. Bloomfield

P. Daniels

P. Paroissien (resigned 6th March 2018)

V. Reboul-Salze

I. Pypaert-Perrin

S. Baker (appointed 27th March 2017)

During the period the Trustees met three times.

The power of appointment rests with the Trustee body of the Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

- continued

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

RISKS FACING THE ATD FOURTH WORLD TRUST

The Trustees have considered the risks facing the organisation and are of the opinion that the Trust's principal financial risk is the failure to obtain sufficient funding to enable it to continue to fulfil its objectives. This risk is being addressed in a number of ways.

- The Trust ensures it maintains good relationships with its core funders. This includes ensuring all obligations are met, financial systems are suitable to ensure the funds received are properly secured, spent and recorded according to the instruction of the funders, the Statement of Recommended Practice and generally accepted accounting practices in the UK.
- The Trust is also continually seeking alternative sources of funding in order to diversify its risk away from its core funders.
- Other principal financial risks facing the Trust are addressed by insurance and procedures designed to ensure that the Trust is materially protected from financial and operational loss.

OBJECTIVES AND ACTIVITIES

Its objective is to provide relief to families in need of recuperation and rehabilitation by reason of their poverty or social/economic circumstances, both in the United Kingdom and countries overseas. The Trust does not provide financial assistance to individuals. Its main activities are to employ, train and support core workers with British nationality who it contracts to other charities working with similar objectives and to hold properties for use by such charities. The Trust holds the freehold of properties situated at 48 Addington Square, London, "Frimhurst" at Frimley Green in Surrey and "Braendam" at Thornhill in Scotland.

ACHIEVEMENTS AND PERFORMANCE

The provision of the properties and personnel to other charities which work for relief from poverty continued through the year. The Trust has supported 22 core workers during the year, providing salaries, pension arrangements and generally attending to training and welfare needs so that they can work effectively with the charities to which they are seconded. During the year they have worked with charities in the UK, France, Belgium, Mexico and Tanzania. The Trust's work continues to be supervised by its Trustees at regular Trust meetings and by reviewing reports and discussion with management.

THE ATD FOURTH WORLD TRUST

REPORT OF THE TRUSTEES

- continued

FINANCIAL REVIEW

In 2017 incoming resources were £248,635 compared with £127,891 in 2016. Expenditure at £154,037 was close to the 2016 level of £151,125. Income was higher due to the receipt of a donation of £100,000 towards the cost of Cedar House improvement.

RESERVES

The Trustees consider that sufficient, but not excessive, reserves are retained to meet the commitments of the charity, the principal reserve being to cover the possible need for salary support and for future pensions for core workers, should grant income be reduced.

PLANS FOR FUTURE PERIODS

The Trust intends to continue to hold the properties and to recruit and support core workers for the purpose of its objectives.

ON BEHALF OF THE TRUSTEES



Trustee

26.06.2018

Date

PATRIC DANIELS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ATD FOURTH WORLD TRUST

Opinion

We have audited the financial statements of the ATD Fourth World Trust for the year ended 31st December 2017 as set out on pages 7 to 19. the financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1st April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees 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 charity's affairs as at 31st December 2017 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis of 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 or the financial statements section of our report. We are independent of the Charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusion 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 Charity'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 Auditor's Report thereon. Our opinion on the financial statements does not cover the 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 ATD FOURTH WORLD TRUST

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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 concluded 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibility of the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page x, the Trustees 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 the 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 145 of the Charities Act and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 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 decision 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 in the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

62 Wilson Street
London EC2A 2BU


RPG CROUCH CHAPMAN LLP
Chartered Accountants
Statutory Auditors
16/7/2018

RPG Crouch Chapman LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

THE ATD FOURTH WORLD TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2017

	Notes	Restricted Funds £	Unrestricted Funds £	Total 2017 £	Total 2016 £
Income					
Donations and legacies	3	100,100	30,000	130,100	25,300
Charitable activities	4	-	117,731	117,731	101,860
Investments		-	804	804	731
		<u>100,100</u>	<u>148,535</u>	<u>248,635</u>	<u>127,891</u>
Total Income		<u>100,100</u>	<u>148,535</u>	<u>248,635</u>	<u>127,891</u>
Expenditure on					
Charitable activities	5	17,989	136,048	154,037	151,125
		<u>17,989</u>	<u>136,048</u>	<u>154,037</u>	<u>151,125</u>
Total Expenditure		<u>17,989</u>	<u>136,048</u>	<u>154,037</u>	<u>151,125</u>
Net Income/(Expenditure)		<u>82,111</u>	<u>12,487</u>	<u>94,598</u>	<u>(23,234)</u>
Net movement in funds		<u>82,111</u>	<u>12,487</u>	<u>94,598</u>	<u>(23,234)</u>
Reconciliation of funds					
TOTAL FUNDS BROUGHT FORWARD		<u>18,685</u>	<u>161,102</u>	<u>179,787</u>	<u>203,021</u>
TOTAL FUNDS CARRIED FORWARD		<u>100,796</u>	<u>173,589</u>	<u>274,385</u>	<u>179,787</u>

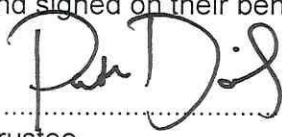
The notes on pages 9 to 19 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

BALANCE SHEET AT 31ST DECEMBER 2017

	Notes	£	2017 £	2016 £
TANGIBLE FIXED ASSETS	2		49,000	49,000
CURRENT ASSETS				
Cash at bank	12	194,541		103,237
Debtors	9	31,424		28,162
		<u>225,965</u>		<u>131,399</u>
CURRENT LIABILITIES				
Creditors	10	(580)		(612)
		<u></u>		<u></u>
NET CURRENT ASSETS			225,385	130,787
NET ASSETS			<u>274,385</u>	<u>179,787</u>
FUNDS OF THE CHARITY				
UNRESTRICTED FUNDS				
General	15		94,061	79,716
Designated	15		79,528	81,386
RESTRICTED FUNDS	14		<u>100,796</u>	<u>18,685</u>
TOTAL FUNDS OF THE CHARITY			<u>274,385</u>	<u>179,787</u>

Approved by the Trustees on 26/6/2018
and signed on their behalf by


.....
Trustee
PATRICK DANIELS

The notes on pages 9 to 19 form part of these financial statements.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2017

The ATD Fourth World Trust is a charitable trust registered in England & Wales. Its principal place of business is 48 Addington Square, London SE5 7LB.

The principal activity of the trust continued to be that of tackling inequality and promoting social justice.

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention 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 applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have therefore departed from the Charities (Accounts and Reports) Regulations 2008. This departure has involved following the Charities SORP (FRS 102) as stated above, rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The trust constitutes a public benefit entity as defined by FRS 102. The reporting currency is GBP and all amounts have been rounded to the nearest £.

Going Concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. There are no significant areas of adjustment and key assumptions that affect items in the accounts. With respect to the next reporting period, ending on 31 December 2017, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the ability to continue raising donations. If the company cannot pay the fees, the Trust would cease employing staff.

The properties listed in the Report of the Trustees are provided rent free to other charities for as long as they continue, in the opinion of the Trustees, to be used for purposes consistent with the Trust's objectives.

Fund Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. Restricted funds recorded in these accounts consist of Cedar House Improvement Fund which is represented by a building at the Frimhurst Family Home, an Employee Benefits Fund to cover increased pension costs and funds raised for a library project in Peru.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES - continued

Income Recognition

Incoming Resources consist of grants, legacies, donations and fees receivable during the year together with interest received.

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.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

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.

Grants covering specific time periods are attributed to the accounting period to which they relate unless required otherwise by the SORP (FRS102).

For legacies, entitlement is taken as the earlier of the date on which 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. Where legacies have been notified to the charity, 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.

Expenditure Recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Depreciation

No depreciation is provided on freehold buildings since in the opinion of the Trustees the potential depreciation charge and accumulated depreciation on cost are immaterial in relation to the market value of the properties.

Cash Flow Statement

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Charities SORP (FRS 102).

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES - continued

Pension Scheme

The trust is a Participating Employer in a money purchase scheme. Costs incurred are charged as paid.

Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors and prepayments

Debtors are recognised at the settlement amount after any potential trade discount offered. Prepayments are valued at the amount prepaid, net of any potential trade discount due.

Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt, or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognized within interest payable and similar charges.

Judgment in applying accounting policies and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES - continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The only accounting estimate applied by the charity is the accrual. This estimate is not significant.

2. TANGIBLE FIXED ASSETS

The cost of the freehold premises at the beginning and end of the year was £49,000. In accordance with the SORP, the Trustees have reviewed the market value of the properties and consider these to be materially in excess of the value shown in the accounts. The Trustees have not commissioned a valuation of the freehold land and buildings since they do not consider this an appropriate use of resources. The buildings replacement insurance value is in the region of £8 million. The trustees consider it appropriate not to depreciate the properties as there is no diminution in value.

3. INCOME FROM DONATIONS AND LEGACIES

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Donations – ATD Foundation	-	30,000	30,000	25,000
Johnsons Wax	100,000	-	100,000	-
Various	-	-	-	300
Legacy – Margaret Howells	100	-	100	-
	<u>100,100</u>	<u>30,000</u>	<u>130,100</u>	<u>25,300</u>

In 2016, of total income from donations and legacies, £nil related to restricted funds and £25,300 related to unrestricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

Included within income from charitable activities are fees received from ATD Fourth World Limited, an associated entity, amounting to £117,731 (2016: £101,860) for the provision of staff and administrative assistance. The fees are attributable to unrestricted funds.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Provision of core worker personnel:				
Salaries	-	97,695	97,695	93,642
Pension	13,434	33,902	47,336	46,503
Wellbeing	-	1,858	1,858	872
Property management:				
Fees – Cedar House improvement	4,555	-	4,555	8,329
Support costs	-	2,593	2,593	1,779
	<u>17,989</u>	<u>136,048</u>	<u>154,037</u>	<u>151,125</u>

In 2016, of total expenditure on charitable activities, £21,763 related to restricted funds and £129,362 related to unrestricted funds.

6. SUPPORT COSTS

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Audit	-	640	640	600
Accountancy	-	100	100	100
Bank charges	-	992	992	620
Insurance	-	861	861	459
Total	<u>-</u>	<u>2,593</u>	<u>2,593</u>	<u>1,779</u>

In 2016, of total support costs, £nil related to restricted funds and £2,593 related to unrestricted funds.

7. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<u>640</u>	<u>600</u>

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

8. EMPLOYEES

	2017 No	2016 No
The average number of persons employed by the charity during the year was	8	9
	<u>8</u>	<u>9</u>
	2017 £	2016 £
Wages and salaries	96,015	92,964
National insurance	1,680	678
Staff pension	47,336	46,503
	<u>145,031</u>	<u>140,145</u>

No employee received emoluments at a rate exceeding £60,000 per annum.

In addition to the trustees, key management personnel comprise D. Kenningham and T. Croft – national co-ordinators. The aggregate remuneration of key management amounted to £34,589 (2016: £33,039).

Key management personnel salary costs recharged amounted to £34,589 (2016: £29,356).

During the year, no trustee received any remuneration, benefits in kind or reimbursement of expenses (2016: £nil).

9. DEBTORS

	2017 £	2016 £
Other debtors	31,424	28,162
	<u>31,424</u>	<u>28,162</u>

10. CREDITORS

	2017 £	2016 £
Accruals	580	612
	<u>580</u>	<u>612</u>

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

11. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial instruments measured at amortised cost	<u>111,424</u>	<u>108,162</u>
Financial liabilities measured at amortised cost	<u>580</u>	<u>612</u>

Financial assets measured at amortised cost comprise debtors and short term deposits.
Financial liabilities measured at amortised cost comprise creditors and accruals.

12. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Short term deposits	80,000	80,000
Cash at bank	<u>114,541</u>	<u>23,237</u>
	<u>194,541</u>	<u>103,237</u>

13. TAXATION

The charity's activities fall within the exemptions afforded by the provisions of the Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

14. RESTRICTED FUNDS – current year

	Vista Alegre £	Employee Pension Benefits £	Cedar House Impr'mt £	Total 2017 £
Donations	-	-	100,100	100,100
Expenditure	-	(13,434)	(4,555)	(19,989)
Net incoming/outgoing	-	(13,434)	95,545	82,111
Balances at start of year	<u>611</u>	<u>16,403</u>	<u>1,671</u>	<u>18,685</u>
Balances at end of year	<u>611</u>	<u>2,969</u>	<u>97,216</u>	<u>100,796</u>

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

14. RESTRICTED FUNDS – prior year

	Vista Alegre £	Employee Pension Benefits £	Cedar House Impr'mt £	Total 2016 £
Donations	-	-	-	-
Expenditure	-	(13,434)	(8,329)	(21,763)
Net incoming/outgoing	-	(13,434)	(8,329)	(21,763)
Balances at start of year	611	29,837	10,000	40,448
Balances at end of year	611	16,403	1,671	18,685

Vista Alegre Fund

In 2015 the Trust raised £6,403 in donations from private individuals in the UK toward the cost of a project in Peru which aims to support an impoverished local community in the provision of a building in which ATD Cuarto Munde, an associate of the Trust, provides street libraries for the inhabitants. During 2016, the Trust remitted to the Vista Alegre community £5,792 of the funds collected. The balance of £611 is held by the Trust until requested by ATD Cuarto Munde.

Employee Pension Benefits Fund

A donation of £79,453 was received in 2012 to provide for the cost of increasing pension levels over the ensuing five years. During the year, pension costs of £13,434 (2016: £13,434) were charged to this Fund leaving a balance of £2,969 at the 2017 year end.

Cedar House Improvement Restricted Fund

Cedar House is part of the Frimhurst Family Home facility. In 2015, a donation of £10,000 was received from a supporter, Johnson Wax Charitable Trust, toward the cost of professional fees for architects planning for major improvement to the building and a further donation of £100,000 in 2017. Total cost of the work is expected to be around £300,000 and further donations are being sought. Costs incurred in 2017 were £4,555 leaving a balance of £97,216 at the year end.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

15. UNRESTRICTED FUNDS – current year

	Designated Employee Benefits Fund £	Designated Cedar House Impr'mt £	General £	Total 2017 £
Donations	-	-	30,000	30,000
Fees	-	-	117,731	117,731
Interest	-	-	804	804
	<u>-</u>	<u>-</u>	<u>148,535</u>	<u>148,535</u>
Insurance	-	-	861	861
Pension costs	-	-	33,902	33,902
Salary of core workers	-	-	97,695	97,695
Audit	-	-	640	640
Bank charges	-	-	-	-
Accounting	-	-	100	100
Core worker health	1,858	-	-	1,858
	<u>1,858</u>	<u>-</u>	<u>134,190</u>	<u>136,048</u>
Net incoming/(outgoing) resources for the year	(1,858)	-	14,345	12,487
Balances at start of year	50,845	30,541	79,716	161,102
Balances at end of year	<u>48,987</u>	<u>30,541</u>	<u>94,061</u>	<u>173,589</u>

Employee Benefits Designated Fund

This Fund is maintained to provide for the support and well-being of core workers. It has been used to cover special contributions needed to maintain future pensions and is to be used in future for other such unexpected needs as and when they occur.

Cedar House Improvement Designated Fund

In addition to the restricted amount referred to in note 12, a legacy of £30,541 received from the estate of Margaret Howells have been designated toward the cost of the Cedar House - a building in the grounds of Frimhurst used for extra accommodation - because she was closely involved with the activities of Frimhurst Family House. The funds are likely to be spent before the end of 2020.

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS
- continued

15. UNRESTRICTED FUNDS – prior year	Designated Employee Benefits Fund £	Cedar House Impr'mt £	General £	Total 2016 £
Donations	-	-	25,300	25,300
Fees	-	-	101,860	101,860
Interest	-	-	731	731
	<u>-</u>	<u>-</u>	<u>127,891</u>	<u>127,891</u>
Insurance	-	-	459	459
Pension costs	-	-	33,069	33,069
Salary of core workers	-	-	93,642	93,642
Audit	-	-	600	600
Bank charges	-	-	620	620
Relocations	-	-	-	-
Accounting	-	-	100	100
Core worker health	872	-	-	872
	<u>872</u>	<u>-</u>	<u>128,490</u>	<u>129,362</u>
Net incoming/(outgoing) resources for the year	(872)	-	(599)	(1,471)
Balances at start of year	51,717	30,541	80,315	162,573
Balances at end of year	<u>50,845</u>	<u>30,541</u>	<u>79,716</u>	<u>161,102</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - current year	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 st December 2017 are represented by:			
Tangible fixed assets	49,000	-	49,000
Net current assets	124,589	100,796	225,385
	<u>173,589</u>	<u>100,796</u>	<u>274,385</u>

Restricted funds have been provided by specific cash donations which must be held as Restricted.

	£
Cedar House Fund	97,216
Vista Alegre Fund	611
Employee Pensions Fund	2,969
	<u>100,796</u>

THE ATD FOURTH WORLD TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - prior year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 st December 2016 are represented by:			
Tangible fixed assets	49,000	-	49,000
Net current assets	112,102	18,685	130,787
	<u>161,102</u>	<u>18,685</u>	<u>179,787</u>

Restricted funds have been provided by specific cash donations which must be held as Restricted.

	£
Cedar House Fund	1,671
Vista Alegre Fund	611
Employee Pensions Fund	16,403
	<u>18,685</u>

17. PENSIONS

During the year, the trust paid pension contributions into a defined contribution pension scheme amounting to £47,336 (2016: £46,503). Pension contributions are charged to the SOFA when paid.

18. FUNDRAISING STANDARDS INFORMATION

The charity does not carry out any fundraising activities and income is mainly received from grants, legacies and re-charges. Any donations received are incidental.