

Company registration number: 08480724

Charity registration number: 1154784

# The Libertarian Research and Education Trust

known as

Statewatch

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Field Sullivan Limited  
Neptune House  
70 Royal Hill  
Greenwich  
SE10 8RF

**The Libertarian Research and Education Trust**  
**known as Statewatch**

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## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Reference and Administrative Details**

<b>Trustees</b>	Emilo de Capitani Patrick Hillyard Ann Singleton Fiona Godfrey Jane Deighton Victoria Canning
<b>Secretary</b>	Sean Burke
<b>President</b>	Gareth Peirce
<b>Principal Office</b>	88 Fleet Street London EC4Y 1DH
<b>Registered Office</b>	10 Queen Street Place London EC4R 1BE
<b>Company Registration Number</b>	08480724
<b>Charity Registration Number</b>	1154784
<b>Independent Examiner</b>	Field Sullivan Limited Neptune House 70 Royal Hill Greenwich SE10 8RF

## The Libertarian Research and Education Trust

### known as Statewatch

#### Trustees' Report

Our contractor has experienced significant technical challenges transferring data to the new CMS resulting in delays in realising a fully operational new website. The progress of work by the contractor is continuously monitored and reported back to our Board of Trustees.

2. To update the SEMDOC database each month; **Not Achieved.**
3. To update the main database each month; **Not Achieved.**
4. To update the coverage on the main website daily/weekly; **Achieved.**
5. To maintain e-mail lists, Twitter and Facebook; **Achieved.**
6. To publish regular analyses online; **Achieved.**
7. To respond to requests for speakers at conferences and seminars; **Achieved.**
8. To take forward our agreed fund-raising programme; **Achieved.**
9. To develop and maintain JHA Archive (1976-2000); **Achieved.**
10. To develop the Statewatch Book Library and the Grey Literature collection; **Ongoing.**

The Library & Archive was launched on 22 November 2018 with a well-attended event at the MayDay Rooms. It has since been open to the public every Thursday and by appointment at other times. The majority of the catalogue is now online and photos and details of items are being added. We will be working to fully exploit the resources of the Library & Archive in the coming period.

11. To develop and maintain the Observatory on the refugee crisis; **Achieved.**

#### **Our Targets for 2019 are:**

1. To complete works associated with installing the new CMS to operate the Statewatch website, and report progress to the Board of Trustees;
2. To update the SEMDOC database;
3. To update the coverage on the Statewatch website daily/weekly;
4. To maintain e-mail lists, Twitter and Facebook;
5. To publish regular analyses online;
6. To respond to requests for speakers at conferences and seminars;
7. To take forward our agreed fund-raising programme;
8. To develop and maintain the JHA Archive (1976-2000);

## **The Libertarian Research and Education Trust**

### **known as Statewatch**

#### **Trustees' Report**

9. To continue to develop the Statewatch Library & Archive collection make use of the resources it holds.

10. To continue to develop and maintain the Observatory on the refugee crisis;

11. To develop and maintain an Observatory on interoperability;

#### **Income and expenditure**

Our total income for 2018 was £42,019 and our total expenditure was £52,239

#### **Policy on reserves**

At year end our reserves stood at (£27,669). Reserves are held to meet any unexpected shortfall in income and to meet any necessary expenditure to protect or expand the trust's work. Trustees will endeavour to increase the reserves if income permits. However, the first call on increased income will be to meet staff wages.

#### **Risk analysis**

The trust has reviewed the following significant risks and has agreed the following steps to mitigate them:

1. Staff development and retention. Statewatch employees are employed part time and are highly skilled in the specialist field of our work. Our staff team is invaluable to ensuring that Statewatch continues to be one of the most trusted NGOs working on EU Justice and Home Affairs (JHA) and in relation to security policy and access to EU documents (freedom of information). Our priority is to develop and retain current staff. The first call on increased funding is to ensure wages are at a reasonable level and to improve pension provision.

2. Review and monitor action to reduce our projected pension deficit. We have agreed an action plan in place with the Pensions' Trust, our pension provider, to reduce our deficit by paying additional annual contributions over ten years 2013 - 2023. The present estimate from the Pensions Trust of employer liability on withdrawal is reduced to £16,077.18 (as at September 2018) this has fallen from £18,633.00 (as at September 2017).

3. Information, Communication and Technology. In 2015 Statewatch engaged an external contractor to install a new Content Management System (CMS) for our website. Installing the new CMS has been beset by significant technical challenges resulting in delays in realising a fully operational website. Progress on the CMS work is regularly reported regularly to our Board of Trustees.

4. Reserves. Our reserves are held to meet any unexpected shortfall in income and to meet any necessary expenditure to protect or expand the trust's work. Trustees are committed to increase the reserves if income permits. However, the first call on increased income will be to meet staff wages.

#### **Funding**

We are grateful for the support received during 2018 from the Polden Puckham Charitable Trust, Garden Court Chambers, and Friends of Statewatch.

## **The Libertarian Research and Education Trust**

### **known as Statewatch**

### **Trustees' Report**

#### **Review of the year**

In our 28th year Statewatch continued to maintain its position as one of the best-known NGOs working on EU Justice and Home Affairs (JHA) and security policy and access to EU documents (freedom of information) and remains the EU's main dedicated civil liberties "watchdog". The core work of Statewatch has been to provide documentation, information and research on developments within the EU raising awareness of issues that challenge individual rights and liberties.

We encourage the publication of investigative journalism, research and provide extensive background documentation to inform and engage civil society and promote democratic accountability of the EU and its agencies and bodies. Our website promotes our work. It is extensively used by civil liberties activists, NGOs, academics, students, lawyers, journalists, parliamentarians, policy-makers and members of the public who share our concerns and appreciate our work.

Our work has focused on the following policy areas in the EU: policing, criminal law, immigration, asylum, security and counter-terrorism, racism and fascism, surveillance, secrecy and transparency, privacy and data protection. Developments in these areas directly affect the policy and practice in the Member States and in turn, affect the fundamental rights and liberties of citizens and third-country nationals.

#### **Working with others in civil society**

Statewatch signed a number of open letters throughout the year, including for anti-racist and pro-human rights demonstrations in Italy (addressed to the public); on the risks of the new European Defence Fund (addressed to MEPs); and on the dangers of the proposed Copyright Directive (also addressed to MEPs).

#### **Press coverage**

Our work was regularly featured in print and online media, including Repubblica (Italy), Mediapart (France), FM4 Radio (Austria), The Vision (Italy), La Directa (Catalonia/Spain), New Internationalist (UK) and Netzpolitik (Germany).

#### **Contributions to conferences, workshops and other events**

##### **Our Director:**

- November: delivered evidence compiled by Statewatch to the Permanent Peoples' Tribunal (PPT) London hearing on the violation of human rights with impunity of migrants and refugee peoples, on "the development of Fortress Europe" - Statewatch staff also contributed to preparatory meetings for the hearing; and gave a presentation at the 40th Anniversary of the ABC Official Secrets Trial in Bristol.
- September: gave a presentation in Lesvos, Greece on "the Refugee crisis and the Existential crisis in the EU" as part of a visit to the island with the Statewatch co-chair. This followed a visit in May. Both times they visited Moria, the Olive Grove, Lesvos Legal Centre, Pipka, the Hope Project and met local activists. In May they took part in a two-day Conference on establishing legal norms and standards for "the dead and missing". In September they attended the trial of Spanish fire-fighters, who were acquitted of trafficking, and attended the weekly UNCHR NGO briefing session.
- July: attended and contributed to an Open Society Initiative event in Brussels on populism in western Europe; attended and spoke at a LEAP seminar in Brussels on e-evidence.

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Trustees' Report**

- May 2018: keynote speech at the Area of Security Freedom and Justice 25 Years, on “the development of the EU state” at the European University Institute (EUI) in Florence in May 2018 and took part in a panel discussion workshop on Interoperability.
- April: participated in NGO/academia roundtable convened by Greens/EFA group in the European Parliament on data retention - current state of play and future developments.

#### **Our Project Director:**

- November: gave a presentation on EU internal security policies and budgets at the conference 'Confronting the privatisation of war and security', organised by Novact in Barcelona.
- October: attended Sabir Festival in Sicily to give a presentation on forthcoming EU military budgets.
- April: gave a presentation on EU internal security policies and funding at a GUE/NGL group event in the European Parliament: EU: The Current Agenda - “Defence, Militarization, Armament Industry and Fortress Europe”; was interviewed by Catalan Newspaper La Directa for a feature article on the EU’s interoperability plans; participated in NGO/academia roundtable convened by Greens/EFA group in the European Parliament on data retention - current state of play and future developments.

#### **Our researchers**

- October: participated as the main author of a report on the criminalisation of solidarity towards migrants and refugees by the Transnational Institute in Amsterdam entitled “The shrinking space for solidarity with migrants and refugees: how the European Union and Member States target and criminalize defenders of the rights of people on the move”.
- June: participated in a debate at the festival of Radio Popolare in Milan, “All you need is pop”, about immigration policies, attempts to criminalise citizens acting in solidarity on land and at sea, and the devastating effects of the externalisation of the EU’s migration policies in Africa and especially in Libya, gave a presentation to a meeting in the Casa Internazionale delle Donne (International Women's Home) in Rome: Le frontiere dell’esclusione. Politiche e resistenze (The borders of exclusion. Politics and Resistance) organised by Associazione Diritti e Frontiere (ADIF).
- March & July: interviewed for media outlets including Repubblica newspaper and The Vision (twice) for articles on EU proposals to fingerprint migrants, the EU and national government’s initiatives against human rights defenders and the way in which the European obsession with stopping migration makes it vulnerable to blackmail from countries to which it outsources border controls.
- January: helped to set up and gave a presentation at the launch an alliance of journalists, academics, lawyers, migrant support groups and activists who formed an association in Milan “Osservatorio Solidarietà della Carta di Milano”, active in Italy with a European outlook, linking immigration policy to an authoritarian drift.

#### **Achievements in 2018**

Statewatch maintained its output and position as one of Europe’s most trusted and productive providers of information and analysis in the JHA field.

#### **Our website in 2018:**

- o Received over a million hits a month;



## **The Libertarian Research and Education Trust**

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#### **Trustees' Report**

o We continued updating the Observatory on the Refugee crisis in the Med and in the EU (ongoing, launched in January 2015). This observatory provides a “one-stop” shop for all the official documents from the European Commission and the European Commission, analyses and critiques from NGOS and academics and news stories. A weekly round-up is provided alongside daily updates. The site has proved very popular with civil society and NGOs, the EU and national media and with activists on the ground;

#### **Our core work and ongoing activities**

We provide a free and extensive online information service which includes:

- o Statewatch News Online, provides news, analysis and extensive documentation;
- o 20 subject-specific “Observatories” covering key issues in-depth;
- o Statewatch Database over 34,000 items from the website, journal and our archives dating back to 1991;
- o Statewatch European Monitoring and Documentation Centre (SEMDOC), which documents all EU Justice and Home Affairs legislation since 1993;
- o JHA Archive of 9,000+ EU JHA documents from 1976-2000 (most officially unpublished) available online;
- o Maintaining online access to back issues of Statewatch Journal (previously Bulletin) since 1991;
- o In 2018 we published and updated 16 analyses providing in-depth coverage of particular issues.

#### **Statewatch website**

We publicise our work through our website. We encourage the publication of investigative journalism, research and provide extensive background documentation to inform and engage civil society and promote democratic accountability of EU institutions. Statewatch provides analysis on key civil liberties issues and maintains a number of dedicated websites. We aim to place these issues on the agenda of civil society organisations, policymakers and the media to enhance public understanding and informed debate.

#### **News Online and Observatories:**

In 2018 Statewatch published 1,821 stories and reports with additional background documents and links on News Online and a further 869 on the Refugee Observatory. We maintained 20 Observatories; the most used Observatories were on the Refugee crisis, access to EU documents; EU-UK-USA Data Surveillance, Interoperability and Big Brother, and Frontex.

#### **Statewatch European Monitoring Document Centre (SEMDOC)**

SEMDOC provides detailed information and full-text documents on all EU legislation adopted or proposed since 1993. This resource carries information on the Trevi, Maastricht, Amsterdam and now Lisbon eras.

#### **JHA Archive (1976-2000)**

The hard-copy library held by Statewatch of 9,010 Council documents covering the period 1976-2000 (before the EU institutions' public registers were set up) have been scanned into pdf format and key-worded. This database provides a unique free resource which is not available anywhere else in the EU. Updating of the archive is on-going.



## **The Libertarian Research and Education Trust**

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### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of The Libertarian Research and Education Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 8 August 2019 and signed on its behalf by:



Ann Singleton  
Trustee

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Independent Examiner's Report to the trustees of The Libertarian Research and Education Trust**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of The Libertarian Research and Education Trust ('the charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of The Libertarian Research and Education Trust (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

#### **Independent examiner's statement**

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

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

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

The Libertarian Research and Education Trust

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Independent Examiner's Report to the trustees of The Libertarian Research and Education Trust

*Field Sullivan Ltd*

Field Sullivan  
Neptune House  
70 Royal Hill  
Greenwich  
SE10 8RF

Date: *29/8/19*.....

**The Libertarian Research and Education Trust**

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**Statement of Financial Activities for the Year Ended 31 December 2018**  
**(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

**Current year's (2018) Statement of Financial Activities**

	Note	Unrestricted funds £	Total 2018 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	28,816	28,816
Charitable activities	4	13,199	13,199
Investment income	5	<u>4</u>	<u>4</u>
Total income		<u>42,019</u>	<u>42,019</u>
<b>Expenditure on:</b>			
Charitable activities	6	<u>(52,239)</u>	<u>(52,239)</u>
Total expenditure		<u>(52,239)</u>	<u>(52,239)</u>
Net expenditure		(10,220)	(10,220)
<b>Other recognised gains and losses</b>			
Realised gains/losses on investment assets		<u>(51)</u>	<u>(51)</u>
Net movement in funds		(10,271)	(10,271)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>(17,399)</u>	<u>(17,399)</u>
Total funds carried forward	15	<u><u>(27,670)</u></u>	<u><u>(27,670)</u></u>

**The Libertarian Research and Education Trust**

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**Statement of Financial Activities for the Year Ended 31 December 2018  
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

**Comparative year's (2017) Statement of Financial Activities**

	Note	Unrestricted funds £	Total 2017 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	57,500	57,500
Charitable activities	4	14,209	14,209
Investment income	5	<u>2</u>	<u>2</u>
Total income		<u>71,711</u>	<u>71,711</u>
<b>Expenditure on:</b>			
Charitable activities	6	<u>(57,658)</u>	<u>(57,658)</u>
Total expenditure		<u>(57,658)</u>	<u>(57,658)</u>
Net income		14,053	14,053
<b>Other recognised gains and losses</b>			
Gains/losses on investment assets		<u>116</u>	<u>116</u>
Net movement in funds		14,169	14,169
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>(31,569)</u>	<u>(31,569)</u>
Total funds carried forward	15	<u><u>(17,400)</u></u>	<u><u>(17,400)</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2017 is shown in note 15.

The Libertarian Research and Education Trust

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(Registration number: 08480724)  
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	10	6,997	5,232
Investments	11	987	4,038
Cash at bank and in hand		5,152	7,664
		<u>13,136</u>	<u>16,934</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(6,728)</u>	<u>(2,700)</u>
<b>Total assets less current liabilities</b>		6,408	14,234
<b>Creditors: Amounts falling due after more than one year</b>	13	(18,000)	(13,000)
<b>Provisions</b>	14	<u>(16,077)</u>	<u>(18,633)</u>
<b>Net liabilities</b>		<u>(27,669)</u>	<u>(17,399)</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(27,670)</u>	<u>(17,400)</u>
<b>Total funds</b>	15	<u>(27,670)</u>	<u>(17,400)</u>


For the financial year ending 31 December 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 12 to 25 were approved by the trustees, and authorised for issue on 8 August 2019 and signed on their behalf by:

  
Ann Singleton  
Trustee

# **The Libertarian Research and Education Trust**

**known as Statewatch**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **1 Charity status**

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

10 Queen Street Place

London

EC4R 1BE

The principal place of business is:

88 Fleet Street

London

EC4Y 1DH

These financial statements were authorised for issue by the trustees on 8 August 2019.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### **Basis of preparation**

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

#### **Going concern**

In common with many similar organisations who receive the majority of their income from public funding, the viability of The Libertarian Research and Education Trust is dependent on finding continuing sources of funding. As set out in the trustee's report, the Company's financial situation remains challenging, but the trustees are working to address these issues. Accordingly, the trustees believe it is appropriate to prepare the accounts on a going concern basis.



## **The Libertarian Research and Education Trust**

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### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### **Income and endowments**

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 the income receivable can be measured reliably.

#### ***Donations and legacies***

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 by the charity 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 these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

## **The Libertarian Research and Education Trust**

**known as Statewatch**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

#### **Current asset investments**

Current asset investments are included at the lower of cost and net realisable value / market value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Provisions**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## **The Libertarian Research and Education Trust**

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### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## **The Libertarian Research and Education Trust**

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### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**The Libertarian Research and Education Trust**

known as Statewatch

**Notes to the Financial Statements for the Year Ended 31 December 2018**

**3 Income from donations and legacies**

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Donations and legacies;			
Donations to major appeals	6,247	6,247	-
Legacies	9,000	9,000	6,000
Gift aid reclaimed	(1,227)	(1,227)	1,850
Grants, including capital grants;			
Grants from other charities	4,000	4,000	20,000
Regular giving and capital donations	10,796	10,796	29,650
	<u>28,816</u>	<u>28,816</u>	<u>57,500</u>

**4 Income from charitable activities**

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Fees for research	13,023	13,023	13,882
Other income	176	176	327
	<u>13,199</u>	<u>13,199</u>	<u>14,209</u>

**5 Investment income**

	Unrestricted funds		
	General	Total	Total
	£	2018	2017
		£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	4	4	2
	<u>4</u>	<u>4</u>	<u>2</u>

# The Libertarian Research and Education Trust

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## Notes to the Financial Statements for the Year Ended 31 December 2018

### 6 Expenditure on charitable activities

		Unrestricted funds	Total 2018	Total 2017
	Note	General £	£	£
Conference costs		582	582	861
Rent		7,500	7,500	10,989
Insurance		592	592	776
Telephone and fax		2,755	2,755	2,703
Office expenses		366	366	3,095
Computer software and maintenance		320	320	2,751
Printing, postage and stationery		8	8	177
Trade subscriptions		494	494	652
Travel and subsistence		827	827	774
Independent examination		2,778	2,778	2,700
Legal and professional		898	898	810
Bank charges		273	273	244
Staff costs		34,846	34,846	31,126
		<u>52,239</u>	<u>52,239</u>	<u>57,658</u>

### 7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

# The Libertarian Research and Education Trust

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## Notes to the Financial Statements for the Year Ended 31 December 2018

### 8 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	32,798	39,727
Pension costs	<u>2,048</u>	<u>(8,601)</u>
	<u>34,846</u>	<u>31,126</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	Full-time equivalent		Head count	
	2018	2017	2018	2017
	No	No	No	No
Charitable activities	<u>2</u>	<u>2</u>	<u>6</u>	<u>6</u>

No employee received emoluments of more than £60,000 during the year.



# The Libertarian Research and Education Trust

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## Notes to the Financial Statements for the Year Ended 31 December 2018

### 9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 10 Debtors

	2018 £	2017 £
Trade debtors	5,900	-
Prepayments	572	1,212
Other debtors	525	4,020
	<u>6,997</u>	<u>5,232</u>

### 11 Current asset investments

	2018 £	2017 £
Unlisted other shares	<u>987</u>	<u>4,038</u>

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	1,250	-
Accruals	5,478	2,700
	<u>6,728</u>	<u>2,700</u>

### 13 Creditors: amounts falling due after one year

	2018 £	2017 £
Other creditors	<u>18,000</u>	<u>13,000</u>

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Notes to the Financial Statements for the Year Ended 31 December 2018

14 Provisions

	Pension contributions provision £	Total £
At 1 January 2018	(18,633)	(18,633)
Pension provision movement	2,556	2,556
At 31 December 2018	<u>(16,077)</u>	<u>(16,077)</u>

15 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Balance at 31 December 2018 £
Unrestricted funds				
General	<u>17,399</u>	<u>(41,968)</u>	<u>52,239</u>	<u>27,670</u>

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
General	<u>31,569</u>	<u>(71,827)</u>	<u>57,658</u>	<u>17,400</u>

16 Analysis of net assets between funds

	2018	Unrestricted funds General £	Total funds £
Current assets		13,136	13,136
Current liabilities		(6,728)	(6,728)
Creditors over 1 year		(18,000)	(18,000)
Provisions		<u>(16,077)</u>	<u>(16,077)</u>
Total net assets		<u>(27,669)</u>	<u>(27,669)</u>

# The Libertarian Research and Education Trust

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## Notes to the Financial Statements for the Year Ended 31 December 2018

2017	Unrestricted funds	Total funds
	General £	£
Current assets	16,934	16,934
Current liabilities	(2,700)	(2,700)
Creditors over 1 year	(13,000)	(13,000)
Provisions	<u>(18,633)</u>	<u>(18,633)</u>
Total net assets	<u>(17,399)</u>	<u>(17,399)</u>

### 17 Related party transactions

During the year the charity made the following related party transactions:

#### A C Bunyan

The loan was made by a founder of the charity and they have agreed that the loan will not be called in until there are sufficient resources available to the charity to repay the loan. At the balance sheet date the amount due to A C Bunyan was £18,000 (2017 - £13,000).