

Stonyhurst Association
Annual Report and Financial
Statements

For the Year Ended
31 December 2018

STONYHURST ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Registered charity name	Stonyhurst Association
Charity number	292122
Secretary	B Sillitoe
Trustees	C J Page S L Knight A N Macfarlane L Crouch F T Holt
Non-trustee members	J Browne - Headmaster Father Tim Curtis SJ- Jesuit Superior J Burns - President S Andrews - Chairman G J Lagerberg - Treasurer D Hurst - Secretary M Atkinson J Hanratty B Roche E Wotton M Hurst B O'Driscoll R Mellows H Reid Fr B Callaghan A Callinicos R Hargreaves L Vorreiter L Pryor R Wotton Father N King SJ
Principal address	Stonyhurst College Clitheroe Lancashire BB7 9PZ
Auditor	Baldwins Audit Services Charter House Pittman Way Fulwood Preston Lancashire PR2 9ZD

STONYHURST ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers	Santander Brindle Road Bootle Merseyside L30 4GB
Solicitors	Charles Russell Speechlys Compass House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ
Investment advisors	Cazenove Capital 1 London Wall Place London EC2Y 5AU

STONYHURST ASSOCIATION

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STONYHURST ASSOCIATION

PRESIDENT'S STATEMENT

TO THE TRUSTEES OF STONYHURST ASSOCIATION

It was an unexpected and humbling experience to receive a gentle tap on the shoulder from Nick King SJ towards the end of 2017 nominating me as President (2018-2019) given the distinguished record of recent incumbents in the post- Terry Holt, Robert Brinkley, and not least my enduring spiritual mentor, Nick himself.

It was also a challenge. The job description had its terms of reference loosely defined, the role being broadly stated as the public face of the Association tasked with trying to enhance its public reputation and recognition. There have been other Burns at Stonyhurst-including two uncles-one a missionary Jesuit priest (George), and a Black Watch officer (David) killed in WW1 and commemorated in the College's war memorial. And yet I if I was to take on the unpaid job with a one year time limit set by others, it was not for the title, or to rest on ancestral or professional laurels, but to try and help make a positive contribution to developing an Ignatius ethos, respecting how things had been done before, but not shirking from attempting to shake up what needed to change, breaking down silos, and improving communications and transparency.

I owe a debt to two towering personal influences on me, my OS father Tom Burns OS 1928 a former Editor of The Tablet and Pope Francis, each of whom, in the spirit of Vatican 2, and the Jesuit charism, have taught me that our Faith cannot be separated from our engagement with the world, seeking God in all Things, building bridges not walls.

The more immediate test run for my Presidency had me sharing my admiration for Pope Francis as his biographer-his compassionate and reforming spirit, his reaching out to the marginalised, his Christian ecology, in talks to staff, parents and pupils at the College and meetings with several Jesuits around the world. Having Francisco bless myself and my wife Kidge on our 40th anniversary of marriage celebration in Rome last May energised me for the year ahead. As did consciousness of the historic links the College has with the Spanish speaking world. My Anglo Spanish blood (I was born to a Spanish mother), flowed naturally towards setting up a Friends of Stonyhurst in Spain Facebook site, organising an OS reunion in Toledo and Madrid in September 2018, and an Ignatian pilgrimage to Catalonia during Lent 2019.

Enduring loyalty had me promoting and volunteering as a Brancardier the Lourdes pilgrimage last summer and this upcoming one, while also encouraging pupils and young and old OS not to shy away from other projects working for social justice and embracing the ecological spirit of Laudato Si in spirit and action to transform our society and save our planet.

Tradition dictated that I presided over the annual Association dinner. I did so at Stonyhurst in October 2018, with the current Tablet editor Brendan Walsh as a thought provoking guest speaker, and the event providing an opportunity to reach out across ages and continents, including several OS of my generation who had disconnected with the school since leaving it. I was delighted that the occasion was not only was convivial but also worthwhile, raising funds for Jesuit Missions at the Sunday collection and helping forge an ongoing partnership between Stonyhurst and The Tablet.

In December 2018 I represented the Association at the Stonyhurst carol service in Farm Street and in March 2019 hosted a brainstorming Stonyhurst Association '425' Convivial Dinner at the Garrick Club for key stake holders of the Stonyhurst family, and other guests to pose the question :whether Catholic education? The discerning spirit of the evening, well summarised by one of the young OS present, was that while we were a community and a network with a shared education, spirituality and ethos, we needed to maintain an explicit focus on mission and be open to new avenues.

As our guest speaker Fr Damian Howard reminded us, the present and future includes a joint effort of Jesuits and lay people, many of them employed, even more fulfilling various voluntary functions in responding to God's love for a broken world.

STONYHURST ASSOCIATION

PRESIDENT'S STATEMENT (CONTINUED)

TO THE TRUSTEES OF STONYHURST ASSOCIATION

We made some small, discreet but not insignificant steps towards assisting others in need, including the support for the pilgrimage in Spain, an additional £5,000 benevolent grant from the President's Fund, and support for the American Collegium Scholar who will be working with Jan Graffius, the College Curator later this year.

Fr Damian and Jan are among several people whose counsel and advice I have hugely valued, former Presidents, our Chairman Simon Andrews, the College's Director of Strategic Development Stephen Withnell, Headmaster John Browne and Lay Chaplain Catherine Hanley along with other College staff members, pupils, and OS and members of the Association Committee. A warm thanks to the Office Manager Beverley Sillitoe for her tireless admin support throughout the year.

Together we have tried to make progress in improving over the last year how the Association communicates not just with alumni but with other parts of the Stonyhurst family. There is a great deal more to do but I am sure that my successor Tim Livesey will keep the Association moving forward in the right direction.

Jimmy Burns OBE OS 1966 - 1971

President of the Stonyhurst Association 2018-2019

STONYHURST ASSOCIATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Committee

The rules of the Association provide for a Committee to manage the day to day affairs of the charity. The Superior and the Headmaster of Stonyhurst College are ex-officio members of the Committee.

The members who served during the period were as follows:

Trustee members of the Committee

C J Page

S L Knight

A N Macfarlane

L Crouch

F T Holt

Non-Trustee members of the Committee

J Browne - Headmaster

Father T Curtis SJ - Jesuit Superior

J Burns - President (Appointed 25/05/2018)

R Brinkley - President (Resigned 25/05/2018)

S Andrews - Chairman

G J Lagerberg - Treasurer

D Hurst - Secretary

M Atkinson

J Hanratty

M Clifford (Resigned 25/05/2018)

B Roche

E Wotton

M Hurst

A Bidwell (Resigned 25/05/2018)

B O'Driscoll

R Mellows

H Reid

Fr B Callaghan

A Callinicos

R Hargreaves

L Vorreiter

L Pryor

R Wotton

L Williams (Resigned 03/07/2018)

Father N King SJ

STONYHURST ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Merger

The trustees of the Stonyhurst Association are also trustees of the Stonyhurst Association War Memorial Trust (Charity Number 1065606) and the Stonyhurst Association Charitable Trust (Charity Number 1018970). On the first day of this financial year the assets and undertaking of Stonyhurst War Memorial Trust and Stonyhurst Association Charitable Trust were merged with Stonyhurst Association. The transfer has been accounted for using merger accounting and the required disclosures can be found in note 2.

Principal office

The address of the principal office is Stonyhurst College, Clitheroe, Lancashire, BB7 9PZ.

Objectives and activities for the public benefit

The Association is a Lancashire based charity, which seeks to unite and associate the past and present pupils of Stonyhurst College in the pursuit of the Association's objectives.

The objectives of the charity are:

- to unite and associate past and present pupils and friends of Stonyhurst in the carrying on, promotion, advancement or support of all or any of the following charitable purposes (whether in the United Kingdom or elsewhere) that is to say the advancement of education and of the Roman Catholic Religion, the relief of poverty, relief and prevention of sickness, disease and physical or mental disability, as the committee shall from time to time in its absolute discretion think fit.
- to promote the education (including social and physical training) of pupils and former pupils of Stonyhurst College, who are under the age of 25 years, in one or more of the following ways or in such other ways as the Trustees think fit:
 - i) in awarding prizes and scholarships tenable at said college or elsewhere to pupils in recognition of their academic, artistic, moral or physical achievements;
 - ii) in awarding to pupils in need of financial assistance, bursaries to enable them to attend or continue their attendance at the said college;
 - iii) in awarding to pupils and former pupils scholarships, exhibitions, bursaries, maintenance allowances or grants tenable at any school, university, college of education or other institution of further (including professional and technical) education approved for the purpose by the Trustees;
 - iv) whilst they are at any institution of further education as aforementioned in providing financial assistance, outfits, clothing, tools, instruments or books to assist pupils and former pupils to pursue their education (including the study of music and other arts), to undertake travel in furtherance thereof, or to prepare for or enter a profession, trade, occupation or service.
- Within the limits prescribed by this Scheme, the Trustees shall have the power to make rules for the award of prizes, scholarships, exhibitions, bursaries, maintenance allowances and other benefits, including rules as to the value and period of tenure of the awards and the qualifications, method of ascertainment and selection of candidates for the benefit and where appropriate, such rules may provide for any prize to bear the name of the donor or other person commemorated in the original title of any endowment contributed to this Charity.
- in providing for the annual celebration of a requiem mass for the repose of the souls of all former pupils of Stonyhurst College, who have died whilst on active military service as a result of enemy action;
- in otherwise advancing education at Stonyhurst College.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting the grant making policy for the year.

STONYHURST ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

The Association advances these objectives by means of the regular social functions organised for its Members, through a website, through the provision of grants and through the distribution of a regular newsletter.

The Association has advanced its objectives in 2018 by communicating regularly with Association members, promoting relevant charitable causes and facilitating meetings and functions that maintain contact with and support the members of the Association, other friends of Stonyhurst and Jesuit schools worldwide, through a website and a contact database, twice yearly newsletters, an annual dinner, the provision of grants, facilitating (self-funded) reunions and other social events.

Members and friends of the Association have been encouraged to develop their faith and support of the Church through free provision of the Association Prayer Book to College leavers, encouraging attendance at Stonyhurst College's Easter Retreats and the use of the Sodality Chapel at Stonyhurst College. The Association worked closely with the College to provide support for the College in the achievement of its objectives, through the Association office (supporting the Development and Admissions office), by the provision to Stonyhurst College of £30,000 for scholarships and bursaries, £1,500 for academic prizes and £3,589 towards the Modern Languages Department and the provision of volunteers to provide careers advice to pupils at the annual Careers Convention and on an ad hoc basis.

The Association has sought to provide comfort and support for the disadvantaged, particularly those suffering from bereavement, poverty, sickness, mental or physical disability, through support for the annual Stonyhurst Lourdes pilgrimage. The Association Office assisted in the organisation of pilgrimage, encouraged volunteers to attend the pilgrimage and provided grants towards the costs of travelling to Lourdes. The Association has supported Stonyhurst College's activities to promote the College's Arrupe Programme, the Learning to Care charity and to support holiday weeks for disabled and disadvantaged children. The Association also provided support for current and former pupils to devote time towards the work of other charities including Jesuit Mission Volunteers, the Jesuit Refugee Services and Jesuit Missions.

In addition, the Association supports the work of other charities directly, including providing financial and administrative support to Eagle Aid, Special Projects in Christian Missionary Areas and the Xavier Volunteer programme, which themselves provide support to Jesuit and OS projects among the poor and disadvantaged around the world.

The Association continued to support a researcher to work in the Stonyhurst Archives by providing a £5,000 grant. The researcher aims to catalogue historical, cultural and religious artefacts that can be shared and displayed to the public.

The Association provided grants to individuals of £5,500. The designated Presidents fund, which was set up by the trustees in support of past and present pupils of Stonyhurst College in financial distress paid a grant of £5,000. The remaining £500 was met from restricted funds in line with the Berkley Bequest.

The Association paid £17,000 for repairs and repainting work at the cricket pavilion at Stonyhurst College in advance of the inaugural match of the Vatican Cricket team's UK tour in 2018. The Vatican XI played a team comprising current and former members of Stonyhurst and the Association provided refreshments for the teams and spectators.

In 2018, the Association paid £10,000 towards the cost of building Theodore House, the study, retreat and leadership facility at the Christians Heritage Centre ("CHC") that opened in 2019 in the grounds of Stonyhurst College. The CHC is independent of Stonyhurst and the Association but Association members are expected to use its facilities in the future. One of the rooms in Theodore House is named after the Association.

Achievements and performance

The charity has continued to provide support, financial and social and religious, newsletters and a website to associate the past and present pupils of Stonyhurst College.

STONYHURST ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

The Association funds its charitable activities in different ways. Reunions are budgeted on a break even basis, where possible. Grants are funded through investment income, the sale of merchandise and subscriptions. Where considered necessary, the trustees sell investments to fund the deficit.

Details of the financial position of the Charity are set out in the following accounts.

The Statement of Financial Activities shows the charity had expenditure of £206,930 compared to income of £151,832, resulting in a deficit of £55,098 (2017: £32,150) before unrealised gains on investments. The trustees decided to realise investments of approximately £50,000 to fund the deficit. Income from subscriptions, investments and sales of merchandise were comparable to those in 2017. The market value of investments decreased by £103,451, compared to an increase of £56,943 in the previous year.

In the Balance Sheet are investments of £1,333,290, cash held as part of the portfolio of £37,731 and cash at bank and in hand of £94,437. Despite the fall in market value of investments in 2018, they are still in excess of cost, £1,135,190. Cash reserves and investments will be used to fund charitable expenditure in excess of income in future periods, where the trustees see fit.

Charitable expenditure has increased in the year due to additional grants paid, see note 9.

Legacies

From time to time, the Association receives legacies from the estate of one of its members. In particular the Association is grateful for a legacy of £5,000 received in 1995 from the estate of the late Brendan Murray, OS 1935 - 39 and a legacy of US \$200,000 (£126,183) received in 2002 from the estate of the late Peter Glenville, OS 1992 - 32.

Stonyhurst War Memorial Trust, a charity which was merged with the Association in the current year, occasionally receives legacies from the estate of one of its members. In particular, the Trust is grateful for a legacy of £87,764 received in 1991/92 from the estate of the late P J Fawdry, OS 1917-1923. During 1988, the Trust received a further legacy of £150,000 from the estate of the late G StL Berkley, OS 1921-1926. The legacy was stipulated to be used as one third, for the benefit of the students of the Foreign Language Department at Stonyhurst College, and two thirds to provide financial assistance to former pupils of Stonyhurst College who are struggling financially as undergraduates. The trustees opted to invest the legacies and the associated investments and income is shown in the accounts as 'restricted funds'.

Stonyhurst Association Charitable Trust, a charity which was merged with the Association in the current year, occasionally receives legacies. In particular, the Trust is grateful for a legacy of £263,241 received in 1991/92 from the estate of the late P J Fawdry, OS 1917-1923. The legacy was a gift of endowment, with no power to convert the capital into income, and is therefore shown as a permanent endowment fund. The income from the endowment fund was previously shown as unrestricted, but post merger is classified as restricted as it can only be used to promote the education (including social and physical training) of pupils and former pupils of Stonyhurst College, who are under the age of 25 years.

Reserves

The Trustees monitor the level of reserves, together with the levels of projected income and cash flow, of the charity in order to ensure that it can meet the requirements of its charitable activities. The investments are held principally to generate income to help fund the charity's activities. The trustees anticipate that the returns from investments with a market value in excess of £1.33m will result in similar levels of income in 2018 and beyond.

The Trustees monitor the levels of reserves and investments will be liquidated if required to fund the operational cash deficit produced by the charity.

Budgets are prepared annually for ordinary expenditure. The trustees approve all exceptional expenditure in excess of income generated that may entail a drawdown of the charity's capital and reserves. No exceptional expenditure as at the date of this report has been approved for 2019.

STONYHURST ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Investment policy

The Association, advised by its Investment Committee and advisors, has considered the most appropriate policy for investing funds and has agreed that investments, principally in specialist unit trusts designed for the charity sector together with investments in a property unit trust and cash, meet their requirements to generate both income and capital growth. The Association considers the overall return on investments to be satisfactory.

Risk management

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Structure, governance and management

Governing instrument

The charity is governed by its Rules, the current edition of which was adopted on 20 May 1989. The Association was first established on 19 May 1879 and became a registered charity on 10 July 1985.

Trustees/Committee Members

Nominations for new Committee members are obtained from existing Committee members, any OS (Old Stonyhurst) or other interested parties.

Five trustees are appointed by the Association Committee. Given the limited scale of activities of the Association, there is no policy in place for the formal induction or training of trustees. However, trustees are provided with the Charity Commission booklet on trustee responsibilities and C J Page (trustee), being a lawyer who specialises in private client and trust work, ensures that relevant changes in regulations from the Charities Commission or other bodies are taken into account by the trustees.

The President is elected by the full members of the Association present at the AGM and will hold office until the next AGM.

Members

There are two forms of membership of the Association - Full members and Associate members. Full membership is open to all former pupils of the Stonyhurst College, the parents or guardians of pupils educated there, and those who have been educated at Beaumont College. Associate membership is open to all those who are not eligible for full membership and wish to support the objectives of the Association.

Administration

The affairs of the Association are managed by the Committee in accordance with the Association rules.

Day to day administration of the Charity is in the hands of the Secretary, Mrs Beverley Sillitoe.

Key management personnel remuneration

The trustees consider the board of trustees, non-trustee members of the committee and the secretary as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees and non-trustee members of the committee give of their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the secretaries and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. The pay of the charity's secretaries is reviewed annually and normally increased in accordance with average earnings.

STONYHURST ASSOCIATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Auditor

A resolution will be proposed at the Annual General Meeting that Baldwins Audit Services be re-appointed as auditor to the charity for the ensuing year.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Signed on behalf of the trustees

S Andrews

Chairman

Dated: 25 October 2019

STONYHURST ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees are responsible for preparing the Trustees' 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 year.

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 operation.

The trustees are responsible for keeping sufficient 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STONYHURST ASSOCIATION

Investment Manager's Report

The Charity's investments at Cazenove Capital are comprised of common investment funds and unit trusts managed by their respective trustees and Fund Managers (outlined below).

Within equities, Schroder Charity Equity fund aims to produce a total return in excess of the FTSE All-Share Index over five year rolling periods. Schroder Income Maximiser fund aims to provide income with potential for capital growth, primarily through investment in equity and equity related securities of UK companies. Schroder European Alpha Income Fund aims to provide income and capital growth by investing in equities of European companies, excluding the UK. Trojan Income fund aims to provide growing levels of income, with the potential for capital appreciation in the medium term and a bias towards UK equities. M&G Global Dividend fund seeks to maximise total return (capital growth as well as income) by investing in companies around the world that consistently increase their dividends.

Bond exposure within the portfolio includes The Income Trust for Charities fund, which aims to provide a total return similar to or above the FTSE British Government All Stocks Index. The objective of the M&G Strategic Corporate Bond fund is to maximise total return by mainly investing in investment grade bonds. AXA US Short Duration High Yield fund seeks to achieve high income followed by capital growth via US high yield debt securities. Lastly, Vontobel TwentyFour Absolute Return also invests in UK Investment Grade bonds and aims to achieve a positive absolute return, in any market environment, over a period of 3 years, whilst keeping volatility at a modest level.

Charity Multi-Asset fund (CMAF) aims to at least maintain the real value of capital whilst generating a sustainable and reliable distribution through investments across a multitude of asset classes.

The final asset class within the portfolio outside cash is property. This is represented by the Schroder UK Real Estate fund and the Charities Property fund, which both aim to achieve a return above the median of the IPD UK Pooled Property Fund Index (All Balanced Property Funds Median).

The Trustees have agreed to asset guideline ranges of 50-70% Equities, 5-15% Government Bonds, 5-15% Corporate Bonds, 10-20% Property and 0-10% Other (to include Alternatives, Infrastructure & Cash), around which the Investment Managers have discretion to allocate assets.

Market Review

At this time last year, we were reporting on an unusually serene year of positive returns for markets. We also counselled that one ought to moderate one's expectations of future returns and to expect an increase in volatility.

We have certainly seen that – but it would have been hard to predict the scale of the volatility we have seen. Over the last three months, the FTSE 100 has delivered a total return of -9.6%. Over the full year, it is down -8.7%, taking us back to market levels we last saw in mid-2016. Equally, there has been very few places to hide – Deutsche Bank report that over 90% of the 70 global assets in their annual sample produced a negative return in US dollar terms over the year. By contrast, only 1% of assets of the same sample were down in 2017. Not one of the 30 equity markets in Deutsche Bank's sample had a positive return in 2018.

Over the year, we have seen the US proceed with what has been dubbed "Quantitative Tightening" (the reversal of the Quantitative Easing programme). At the same time, the Federal Reserve implemented four rate rises. It is fair to say that both of these steps had been well flagged, but that did not stop them unsettling markets. At the same time, the US yield curve has flattened – a rather impenetrable bit of economist jargon which means that the difference in yield for short-dated and longer-dated US government debt has narrowed. Typically, this is a precursor of recession, albeit usually with a two year lag.

STONYHURST ASSOCIATION

Investment Manager's Report

Perhaps more significant has been the deepening of the trade war between the US and China. Hopes of a rapprochement between both sides have receded and the tariffs continue to squeeze global trade. Economic growth forecasts are being updated and most of the (cautious) optimism which permeated at the beginning of 2018 has evaporated.

Meanwhile, the political situation across the globe remains fraught. President Trump's presidency remains as lively as ever: in between fanning the flames of the trade war and agitating for fewer rate hikes from the Federal Reserve, he has seen his Defence Secretary Jim Mattis resign and government shut down as Congress refused to approve his plans to fund a wall at the Mexican border.

In the UK, the government was found to be in contempt of Parliament for the first time in history after it failed to disclose the results of the Attorney-General's legal advice on the draft Brexit deal. This shored up the sovereignty of Parliament and, as far as currency markets are concerned, reduced the possibility of a no-deal Brexit as sterling strengthened. This rally soon receded and the situation seems as insoluble and unpredictable as ever.

In summary, whilst there are times when markets seem to worry too little, they now seem to be worrying too much, and this has been reflected in declining asset prices. Economic growth forecasts have been downgraded, but numbers are still solid, while corporate earnings are also strong. The sell-off has made valuations look more attractive and, while we have seen some tightening of monetary policy, it remains accommodative. Meanwhile, inflation could pick up and traditional defensive assets such as cash and conventional government bonds offer negative real returns.

In some ways, weak investor sentiment is encouraging: significant sell-offs are typically preceded by euphoria rather than pessimism. Our chief investment officer, Caspar Rock, cites two interesting measures of investor sentiment – the Credit Suisse Global Risk Appetite Index and the American Association of Individual Investors – both suggest we are at peak levels of bearishness. This characteristically precedes a market recovery.

This is not to say that markets are definitely going to rebound, but there is certainly scope for some "less bad news" (rather than outright "good news") to catalyse a more positive period for markets. Schroders economists forecast a gradual slowdown in economic growth, but emphasise the "gradual". However, it is fair to say that as long as the possibility of recession still exists, there is scope for ongoing volatility.

In an interesting piece about investment prospects for 2019, the Financial Times flagged one zeitgeist acronym and coined another: fear of missing out (FOMO) and fear of losing money (FOLM). Striking a balance between the two will be key and it is for this reason that we maintain a balanced stance in portfolios.

STONYHURST ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF STONYHURST ASSOCIATION

Opinion

We have audited the financial statements of Stonyhurst Association (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet and the 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 state of the charity's affairs as at 31 December 2018 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

STONYHURST ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF STONYHURST ASSOCIATION

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 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 going concern and using the going concern basis of accounting unless the trustees either intend 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 auditor under section 145 of the Charities Act 2011 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

Baldwins Audit Services
Statutory Auditor
Preston

Date: 28 October 2019

Baldwins Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

STONYHURST ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total 2018 £	Total 2017 £
<u>Income from:</u>						
Donations and legacies	3	45,588	-	-	45,588	56,063
Charitable activities	4	29,279	-	-	29,279	22,946
Other trading activities	5	12,201	-	-	12,201	14,306
Investments	6	44,210	20,554	-	64,764	61,970
Total income		131,278	20,554	-	151,832	155,285
<u>Expenditure on:</u>						
Raising funds	7	18,154	3,756	-	21,910	22,289
Charitable activities	8	172,953	12,067	-	185,020	165,146
Total resources expended		191,107	15,823	-	206,930	187,435
Net gains/(losses) on investments	14	(68,165)	(17,474)	(17,812)	(103,451)	56,943
Net movement in funds		(127,994)	(12,743)	(17,812)	(158,549)	24,793
Fund balances at 1 January 2018		1,028,880	274,901	253,031	1,556,812	1,532,019
Fund balances at 31 December 2018		900,886	262,158	235,219	1,398,263	1,556,812

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

STONYHURST ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	16		2,892		3,254
Tangible assets	17		55		252
Investments	18		1,371,021		1,536,612
			<u>1,373,968</u>		<u>1,540,118</u>
Current assets					
Stocks	20	14,430		13,693	
Debtors	21	43,274		33,006	
Cash at bank and in hand		94,437		110,759	
		<u>152,141</u>		<u>157,458</u>	
Creditors: amounts falling due within one year	23	<u>(127,846)</u>		<u>(140,764)</u>	
Net current assets			24,295		16,694
Total assets less current liabilities			<u>1,398,263</u>		<u>1,556,812</u>
Capital funds					
Endowment funds - general	24		235,219		253,031
Income funds					
Restricted funds	25		262,158		274,901
Unrestricted funds:					
Designated funds	26	39,386		45,720	
General unrestricted funds		<u>861,500</u>		<u>983,160</u>	
			900,886		1,028,880
			<u>1,398,263</u>		<u>1,556,812</u>

The accounts were approved by the Trustees on 25 October 2019

S Andrews
Chairman

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment fund is subject to specific conditions by the donor and is included in restricted income. Any capital gains or losses arising on the investments are charged against the fund.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Pupil subscriptions for their full time in school are charged in full in the first year. The subscriptions are collected over three terms. The subscriptions are credited to incoming resources when due and not deferred, as no refunds are made if a pupil leaves the school early.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Charitable activities

Incoming resources from charitable activities comprises ticket sales of reunions arranged for past members of the Stonyhurst Association. Income received in advance for future reunions is deferred until the event has occurred, at which time the income will be recognised in the statement of financial activities.

Other trading activities

Sales of goods such as ties and prayer books are credited when the sale is made and the goods are provided.

Investments

Investment income and interest receivable is credited when receivable.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of VAT which cannot be recovered.

Raising funds

The costs of generating funds consist of investment management fees and purchase of stock for resale. Investment management fees are allocated according to whether they originate from restricted, unrestricted or endowment investments.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs and support costs.

Grants payable are debited to expenditure and allocated according to whether they originate from restricted or unrestricted funds. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or amount of grant payable.

Support and governance costs are those functions that assist the work of the charity but do not directly carry out charitable activities. These costs have been allocated between the charitable activities on the statement of financial activities, 80% to function expenditure and 20% to grants payable based upon an estimate of staff time spent on each activity.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	10%
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STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Only items over £100 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% Straight Line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Cazenove Capital are investment managers for the Association.

Investments are in the form of mainly common investment funds and unit trusts with a small amount of cash held in the portfolio and are managed by the trustees on the advice of Cazenove Capital.

Listed investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Unlisted investments are initially measured at transactions price excluding transaction costs, and are subsequently measured at cost less impairment where the fair value cannot be measured reliably.

1.9 Stocks

Stocks held for sale as part of a non-charitable trade are stated at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving items.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Where stock is held for a charitable activity and is provided for free or subsidised cost, then net realisable value is based on the service potential provided by the item of stock. Where the goods continue to meet the need for which they were purchased they are not written down to nil realisable value, except where the goods are damaged or obsolete.

1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, apart from investments, are initially recognised at transaction value and subsequently measured at their settlement value.

Basic financial assets

Trade and other receivables are recognised at the settlement amount. Cash at bank and in hand includes cash and immediate deposits. Investments are recognised in line with the accounting policy, depending on whether the investment is listed or unlisted.

Basic financial liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will result in payment to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Merger

On 1 January 2018 the trade and undertaking of the following charitable trusts were merged with Stonyhurst Association:

- Stonyhurst War Memorial Trust - Charity Number 1065606
- Stonyhurst Association Charitable Trust - Charity Number 1018970

As the merger occurred on the first day of the current accounting period, the SoFA wholly relates to the results of the post merger charity.

Analysis of principal SoFA components for the previous reporting period:

	Stonyhurst Association	Stonyhurst Association Charitable Trust	Stonyhurst War Memorial Trust	Merger adjustment	Combined Charity
Total income	144,499	34,048	23,672	(46,934)	155,285
Total expenditure	(133,408)	(42,930)	(58,031)	46,934	(187,435)
Net income/(expenditure)	11,091	(8,882)	(34,359)	0	(32,150)
Other gains	11,355	27,996	17,592	0	56,943
Net movement in funds	22,446	19,114	(16,767)	0	24,793
Total funds b/f	286,669	747,588	497,762	0	1,532,019
Total funds c/f	309,115	766,702	480,995	0	1,556,812

Merger adjustments are the result of inter-charity transactions.

Analysis of net assets at the date of merger:

	Stonyhurst Association	Stonyhurst Association Charitable Trust	Stonyhurst War Memorial Trust	Combined Charity
Net assets	309,115	766,702	480,995	1,556,812
Represented by:				
Designated funds	45,720	0	0	45,720
Unrestricted funds	263,395	497,010	222,755	983,160
Restricted funds	0	16,661	258,240	274,901
Endowment funds	0	253,031	0	253,031

No significant adjustments were made in order to align accounting policies and there were no adjustments to net assets as a result of the merger.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2018 £	2017 £
Donations and gifts	2,084	18,215
Membership fees	43,504	37,848
	<u>45,588</u>	<u>56,063</u>
Donations and gifts		
General donations	1,014	15,005
Stonyhurst Pilgrimage Trust	1,070	3,210
	<u>2,084</u>	<u>18,215</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2018 £	2017 £
Functions	<u>29,279</u>	<u>22,946</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2018 £	2017 £
Sales of ties and prayer books	<u>12,201</u>	<u>14,306</u>

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Investments

	Unrestricted funds	Restricted funds	Total	Total
	2018 £	2018 £	2018 £	2017 £
Income from listed investments	37,792	20,554	58,346	55,810
Income from unlisted investments	5,727	-	5,727	6,010
Interest receivable	691	-	691	150
	<u>44,210</u>	<u>20,554</u>	<u>64,764</u>	<u>61,970</u>
For the year ended 31 December 2017	<u>42,492</u>	<u>19,478</u>		<u>61,970</u>

7 Cost of raising funds

	Unrestricted funds	Restricted funds	Endowment funds	Total 2018	Total 2017
	£	£	£	£	£
Purchase of ties, cufflinks, calendars etc and books	11,231	-	-	11,231	11,597
Investment management fees	6,923	3,756	-	10,679	10,692
	<u>18,154</u>	<u>3,756</u>	<u>-</u>	<u>21,910</u>	<u>22,289</u>
For the year ended 31 December 2017	<u>18,589</u>	<u>3,321</u>	<u>379</u>		<u>22,289</u>

8 Charitable activities

	2018 £	2017 £
Functions	29,862	28,161
Governance and support costs (see note 10)	62,875	71,995
	<u>92,737</u>	<u>100,156</u>
Grants payable (see note 9)	76,564	46,991
Governance and support costs (see note 10)	15,719	17,999
	<u>185,020</u>	<u>165,146</u>

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

9 Grants payable

	2018 £	2017 £
Grants to institutions:		
Lourdes Pilgrimage	2,900	3,100
Robert Persons Fellowship	5,000	5,000
Presidents fund	-	1,000
Farm Street Church	-	500
Stonyhurst College - Scholarships	30,000	30,000
Stonyhurst College - Prizes	1,500	1,500
Stonyhurst College - Modern Languages	3,589	3,466
Stonyhurst College - War Requiem Mass	75	75
Stonyhurst College - Vatican Cricket Event	17,000	-
Christian Heritage Centre	10,000	-
Stonyhurst Pilgrimage Trust	1,000	-
	<u>71,064</u>	<u>44,641</u>
Grants to individuals (2 grants)	5,500	2,350
	<u>76,564</u>	<u>46,991</u>

Expenditure on grants paid was £76,564 (2017: £46,991) of which £59,497 was unrestricted (2017: £32,837), £5,000 was designated (2017: £1,000) and £12,067 was restricted (2017: £13,154).

Loures Pilgrimage - A grant was provided to subsidise those who make pilgrimages to Lourdes organised by the Stonyhurst Pilgrimage Trust.

Robert Persons - A fellowship award was provided of £5,000 for a researcher to work in the Stonyhurst archives and catalogue historical, cultural and religious artefacts that can be shared and displayed to the public.

Stonyhurst College - Scholarships - The charity pays an amount each year to Stonyhurst College to be applied towards scholarships, tenable for a period of 5 years.

Stonyhurst College - Modern Languages - The charity pays an amount each year to the Modern Languages Department of Stonyhurst College, this grants is made in accordance with the Berkley Bequest.

Stonyhurst College - Prizes - Recipients of prizes, which are presented at Great Academies, are selected on the basis of academic achievement by the Headmaster of Stonyhurst College.

Stonyhurst College - Vatican Cricket Event - A grant was provided for repairs and repainting work at the cricket pavilion at Stonyhurst College in advance of the inaugural match of the Vatican Cricket team's UK tour in 2018.

Christian Heritage Centre - A was provided towards the cost of building Theodore House, the study, retreat and leadership facility at the Christian Heritage Centre.

Grants to individuals - Grants have been awarded to provide financial assistance to past pupils who were struggling financially as undergraduates.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Allocation of support and governance costs

		2018 £	2017 £
Support costs:			
Staff costs		33,264	31,831
Depreciation		559	560
Travelling		842	1,815
Telephone		1,459	1,629
Office & newsletter costs		24,165	28,460
Sundry		625	860
Bank charges		416	397
Software		-	3,629
Governance costs:			
Audit fees (note 11)		8,000	10,558
Accountancy		4,768	4,752
Merger legal fees		4,496	5,503
		<u>78,594</u>	<u>89,994</u>
Allocated as follows:			
Charitable activities			
Functions	80%	62,875	71,995
Grants payable	20%	15,719	17,999
		<u>78,594</u>	<u>89,994</u>

11 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

		2018 £	2017 £
Audit of the annual accounts		8,000	10,558
All other non-audit services		4,768	4,752
		<u>12,768</u>	<u>15,310</u>

12 Trustees/Committee members

None of the trustees (or any persons connected with them) or Committee members received any remuneration or benefits from the charity during the year.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Administrative staff	2	2

Employment costs

	2018 £	2017 £
Wages and salaries	28,925	27,679
Social security costs	4,339	4,152
	33,264	31,831

There were no employees whose annual remuneration was £60,000 or more.

14 Net gains/(losses) on investments

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
Net (losses)/gains on investments	(69,786)	(17,472)	(17,976)	(105,234)	52,571
Gain/(loss) on sale of investments	1,621	(2)	164	1,783	4,372
	(68,165)	(17,474)	(17,812)	(103,451)	56,943
For the year ended 31 December 2017	34,958	12,686	9,299		56,943

15 Taxation

The charity is exempt from tax on its charitable activities.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

16 Intangible fixed assets

	Website costs £
Cost	
At 1 January 2018 and 31 December 2018	3,616
Amortisation and impairment	
At 1 January 2018 and 31 December 2018	724
Carrying amount	
At 31 December 2018	2,892
At 31 December 2017	3,254

All intangible assets in 2018 and 2017 relate to unrestricted funds.

17 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2018	17,091
At 31 December 2018	17,091
Depreciation	
At 1 January 2018	16,839
Depreciation charged in the year	197
At 31 December 2018	17,036
Carrying amount	
At 31 December 2018	55
At 31 December 2017	252

All tangible assets in 2018 and 2017 relate to unrestricted funds.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

18 Fixed asset investments

	Listed investments £	Unlisted investments £	Cash in portfolio	Total £
Cost or valuation				
At 31 December 2018	1,493,301	13,239	30,072	1,536,612
Additions	43,019	-	-	43,019
Valuation changes	(130,515)	-	-	(130,515)
Increase in cash held as part of the portfolio	-	-	7,659	7,659
Disposals	(85,754)	-	-	(85,754)
At 31 December 2018	1,320,051	13,239	37,731	1,371,021
Carrying amount				
At 31 December 2018	1,320,051	13,239	37,731	1,371,021
At 31 December 2017	1,493,301	13,239	30,072	1,536,612

Fixed asset investments

The historical cost of fixed asset investments held at the year end was £1,135,190 (2017: £1,529,388).

Listed investments are carried at their fair value, investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds and unit trusts are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Fixed asset investments were split as follows: unrestricted £872,297 (2017: £996,129), designated £26,321 (2017: £28,786), restricted £239,152 (2017: £258,573), endowment £233,251 (2017: £253,124).

Fixed asset investments not carried at market value

Unlisted investments are initially recognised at cost and subsequently at cost less impairment where the fair value cannot be measured reliably.

19 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debtors measured at settlement value	43,274	33,006
Investments measured at fair value through income and expenditure	1,320,051	1,493,301
Carrying amount of financial liabilities		
Creditors measured at settlement value	127,846	140,764

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

20 Stocks

	2018 £	2017 £
Finished goods and goods for resale	14,430	13,693

Stock totalling £11,231 (2017: £11,597) has been recognised as an expense.

All finished goods and goods for resale in 2018 and 2017 relate to unrestricted funds.

21 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	127	2,051
Other debtors	43,147	30,955
	43,274	33,006

All debtors in 2018 and 2017 relate to unrestricted funds.

22 Cash at bank and in hand

Cash at bank and in hand in 2018 was split as follows: unrestricted funds £41,650 (2017: £59,179), restricted funds £29,683 (2017: £26,960), endowment funds £10,039 (2017: £7,686) and designated funds £13,065 (2017: £16,934).

23 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	751	631
Accruals and deferred income	127,095	140,133
	127,846	140,764

Other creditors in 2018 were split between the following funds: unrestricted funds £475 (2017: £355), restricted funds £184 (2017: £184) and endowment funds £92 (2017: £92)

Accruals in 2018 were split as follows: unrestricted funds £112,623 (2017: £121,998), restricted funds £6,493 (2017: £10,448), endowment funds £7,979 (2017: £7,687)

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

24 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds is restricted and is included as restricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 January 2018	Incoming resources	Movement in funds			Balance at 31 December 2018
	£	£	Resources expended	Transfers	Revaluations gains and losses	£
Permanent endowments						
Fawdry Bequest Fund	253,031	-	-	-	(17,812)	235,219
	<u>253,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,812)</u>	<u>235,219</u>

Permanently endowed funds relate to the receipt of a legacy from the estate of P J Fawdry.

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2018	Incoming resources	Movement in funds		Balance at 31 December 2018
	£	£	Resources expended	Revaluations, gains and losses	£
Berkley Bequest Capital Fund	258,240	3,588	(5,535)	(17,474)	238,819
The Berkley Award Fund	16,661	7,178	(500)	-	23,339
Fawdry Bequest Fund	-	9,788	(9,788)	-	-
	<u>274,901</u>	<u>20,554</u>	<u>(15,823)</u>	<u>(17,474)</u>	<u>262,158</u>

Restricted funds are those which have been given for particular purposes and projects.

Berkley Bequest Capital Fund

Restricted funds relate to the receipt of a legacy from the estate of G StL Berkley. The legacy stipulated that the funds were to be used one third for the benefit of students of the Foreign Language Department at Stonyhurst College; the remaining two thirds for the benefit of former pupils of Stonyhurst College experiencing difficulties in financing their undergraduate university education.

The Berkley Award Fund

This fund represents the two thirds of Berkley Bequest income which must be used for the benefit of former pupils of Stonyhurst College experiencing difficulties in financing their undergraduate university education and associated expenditure.

Fawdry Bequest Fund

Permanently endowed funds relate to the receipt of a legacy from the estate of P J Fawdry in Stonyhurst Association Charitable Trust. The income can be used for the purposes disclosed within legacies in the trustees report.

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 December 2018
	Balance at 1 January 2018	Incoming resources	Resources expended	Revaluations, gains and losses	
	£	£	£	£	£
Presidents fund	45,720	1,131	(5,086)	(2,379)	39,386
	<u>45,720</u>	<u>1,131</u>	<u>(5,086)</u>	<u>(2,379)</u>	<u>39,386</u>

The President's fund is used to support past and present pupils of Stonyhurst College in financial distress, within the objectives of the Association. These funds have been set aside by the trustees, but remain part of unrestricted reserves and may be used for general purposes if the trustees decide to do so.

27 Analysis of net assets between funds

	Unrestricted 2018 £	Designated 2018 £	Restricted 2018 £	Endowment 2018 £	Total 2018 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:						
Intangible fixed assets	2,892	-	-	-	2,892	3,254
Tangible assets	55	-	-	-	55	252
Investments	872,297	26,321	239,152	233,251	1,371,021	1,536,612
Current assets/ (liabilities)	(13,744)	13,065	23,006	1,968	24,295	16,694
	<u>861,500</u>	<u>39,386</u>	<u>262,158</u>	<u>235,219</u>	<u>1,398,263</u>	<u>1,556,812</u>

STONYHURST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	16,804	16,497

Stonyhurst Association has benefited from a fully resourced office, located within Stonyhurst College, which has enabled the strategy of the Association to be implemented.

For ease of administration, the Association's employees are paid their salaries through the payroll of Stonyhurst College. The Association reimburses Stonyhurst College for these costs annually, together with telephone and postage costs paid for initially by the College.

During the year the charity used Charles Russell Speechlys to carry out all legal work regarding the merger. Christopher Page, a trustee, is a partner in the firm. The amount charged was £4,496 and there were no amounts outstanding at the balance sheet date.