



The Egmont Trust

Audited Financial Statements

for the Year Ended 31 December 2018

Charity registration number: 1108199

The Egmont Trust

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The Egmont Trust

Independent Auditor's Report to the Members of The Egmont Trust

Opinion

We have audited the financial statements of The Egmont Trust (the 'charity') for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its results 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Egmont Trust

Independent Auditor's Report to the Members of The Egmont Trust

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and Financial Statements.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the (set out on page), 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of The Egmont Trust

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Andrew Hill FCCA DChA (Senior Statutory Auditor)
For and on behalf of HSJ Audit Limited, Statutory Auditor

Severn House
Hazell Drive
Newport
NP10 8FY

The Egmont Trust

Statement of Financial Activities for the Year Ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies		1,246,463	387,200	1,633,663
Investment income	3	1,268	-	1,268
Total income		<u>1,247,731</u>	<u>387,200</u>	<u>1,634,931</u>
Expenditure on:				
Charitable activities		(1,263,536)	(355,835)	(1,619,371)
Total expenditure		<u>(1,263,536)</u>	<u>(355,835)</u>	<u>(1,619,371)</u>
Net (expenditure)/income		(15,805)	31,365	15,560
Gross transfers between funds		15,000	(15,000)	-
Net movement in funds		(805)	16,365	15,560
Reconciliation of funds				
Total funds brought forward		<u>1,577,967</u>	<u>268,524</u>	<u>1,846,491</u>
Total funds carried forward	15	<u>1,577,162</u>	<u>284,889</u>	<u>1,862,051</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies		1,047,609	445,452	1,493,061
Investment income	3	351	-	351
Total income		<u>1,047,960</u>	<u>445,452</u>	<u>1,493,412</u>
Expenditure on:				
Charitable activities		(816,509)	(505,077)	(1,321,586)
Total expenditure		<u>(816,509)</u>	<u>(505,077)</u>	<u>(1,321,586)</u>
Net movement in funds		231,451	(59,625)	171,826
Reconciliation of funds				
Total funds brought forward		<u>1,346,516</u>	<u>328,149</u>	<u>1,674,665</u>
Total funds carried forward	15	<u>1,577,967</u>	<u>268,524</u>	<u>1,846,491</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 Egmont Trust
(Registration number: 1108199)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	-	5,465
Current assets			
Debtors	12	1,038,607	762,165
Cash at bank and in hand		1,546,463	1,558,494
		<u>2,585,070</u>	<u>2,320,659</u>
Creditors: Amounts falling due within one year	13	<u>(723,019)</u>	<u>(479,633)</u>
Net current assets		<u>1,862,051</u>	<u>1,841,026</u>
Net assets		<u>1,862,051</u>	<u>1,846,491</u>
Funds of the charity:			
Restricted funds		284,889	268,524
Unrestricted income funds			
Unrestricted funds		<u>1,577,162</u>	<u>1,577,967</u>
Total funds	15	<u>1,862,051</u>	<u>1,846,491</u>

The financial statements on pages 4 to 17 were approved by the trustees, authorised for issue on and signed on their behalf by:

Jeremy Evans

The Egmont Trust

Cash Flow Statement for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash income		15,560	171,826
Adjustments to cash flows from non-cash items			
Depreciation		-	859
Investment income	3	(1,268)	(351)
		14,292	172,334
Working capital adjustments			
Increase in debtors	12	(276,442)	(731,130)
Increase in creditors	13	243,386	233,205
		(18,764)	(325,591)
Cash flows from investing activities			
Interest receivable and similar income	3	1,268	351
Purchase of tangible fixed assets	11	-	(5,705)
Sale of tangible fixed assets		5,465	-
		6,733	(5,354)
Net cash flows from investing activities		6,733	(5,354)
Net decrease in cash and cash equivalents		(12,031)	(330,945)
Cash and cash equivalents at 1 January		1,558,494	1,889,439
Cash and cash equivalents at 31 December		1,546,463	1,558,494

All of the cash flows are derived from continuing operations during the above two periods.

The Egmont Trust

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

1 Accounting policies

Statement of compliance

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Income and endowments

Donations and legacies

Donations are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income

Investment income is recognised on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

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.

Grant expenditure

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive the grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive the grant and any condition attaching to the grant is outside the control of the Trust.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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

Governance costs

Governance costs include costs of the preparation and audit of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

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.

Tangible fixed assets

Individual fixed assets costing £1,500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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:

Asset class	Depreciation method and rate
Office equipment	33% on cost

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2 Income from donations and legacies

	Unrestricted funds			Total 2018 £	Total 2017 £
	Designated £	General £	Restricted funds £		
Donations and legacies;					
Donations from individuals	25,000	1,210,011	387,200	1,622,211	1,476,559
Gift aid reclaimed	-	11,452	-	11,452	16,502
	<u>25,000</u>	<u>1,221,463</u>	<u>387,200</u>	<u>1,633,663</u>	<u>1,493,061</u>

3 Investment income

	Unrestricted funds	Total 2018 £	Total 2017 £
	General £		
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>1,268</u>	<u>1,268</u>	<u>351</u>

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

4 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2018 £	Total 2017 £
Alleviation of the impact of HIV & Aids	-	1,264,788	-	1,264,788	934,805
Grant management	10,212	-	127,251	137,463	145,025
Fundraising & publicity	-	-	97,482	97,482	97,996
Finance & governance	-	-	57,752	57,752	50,182
Office & data management	-	-	75,260	75,260	47,423
Other	-	-	23,835	23,835	8,265
Foreign currency	-	-	(37,209)	(37,209)	37,890
	10,212	1,264,788	344,371	1,619,371	1,321,586

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

5 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Finance costs £	Management £	Total 2018 £	Total 2017 £
Grant management	A	-	-	127,251	127,251	136,761
Fundraising & publicity	A	-	-	97,482	97,482	97,996
Finance & governance	A	5,742	3,132	48,878	57,752	50,182
Office & data management	A	-	-	75,260	75,260	47,423
Other	A	-	-	23,835	23,835	8,265
Foreign currency	A	-	(37,209)	-	(37,209)	37,890
		5,742	(34,077)	372,706	344,371	378,517

Basis of allocation

Reference

A

Allocated support costs

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

6 Grant-making

Analysis of grants

The support costs associated with grant-making are £137,463 (31 December 2017 - £136,761).

Below are details of material grants made to institutions.

Name of institution	Activity	2018 £	2017 £
Kenya	Alleviation of the impact of HIV & Aids	223,718	59,362
Malawi	Alleviation of the impact of HIV & Aids	247,216	227,992
Mozambique	Alleviation of the impact of HIV & Aids	122,173	98,490
Tanzania	Alleviation of the impact of HIV & Aids	95,774	93,026
Zambia	Alleviation of the impact of HIV & Aids	215,808	157,189
Zimbabwe	Alleviation of the impact of HIV & Aids	360,099	298,746
		<u>1,264,788</u>	<u>934,805</u>

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2018 £	2017 £
Operating leases - other assets	22,838	22,838
Audit fees	3,600	3,000
Loss on disposal of fixed assets held for the charity's own use	5,465	-
Depreciation of fixed assets	-	859
	<u>-</u>	<u>859</u>

8 Trustees remuneration and expenses

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

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

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

9 Staff costs

The aggregate payroll costs were as follows:

	2018	2017
	£	£
Wages and salaries	229,263	213,003
Social security costs	15,386	14,045
Other pension costs	5,495	4,029
	<u>250,144</u>	<u>231,257</u>

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

	2018	2017
	No	No
Charitable activities	<u>8</u>	<u>6</u>

6 (2017 - 6) of the above employees participated in the Defined Contribution Pension Schemes.

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

10 Taxation

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

The Egmont Trust

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

11 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2018	10,570	10,570
Disposals	(10,570)	(10,570)
At 31 December 2018	-	-
Depreciation		
At 1 January 2018	5,105	5,105
Eliminated on disposals	(5,105)	(5,105)
At 31 December 2018	-	-
Net book value		
At 31 December 2018	-	-
At 31 December 2017	5,465	5,465

12 Debtors

	2018 £	2017 £
Prepayments	17,606	21,973
Other debtors	1,021,001	740,192
	1,038,607	762,165

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	717,830	471,698
Other creditors	5,189	7,935
	723,019	479,633

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

14 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Land and buildings		
Within one year	10,000	22,838
Between one and five years	30,000	-
Over five years	10,000	-
	50,000	22,838

15 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
Unrestricted funds					
<i>General</i>					
General fund	1,577,967	1,210,836	(1,236,641)	-	1,552,162
<i>Designated</i>					
Treebeard Trust	-	25,000	(15,000)	15,000	25,000
Total unrestricted funds	1,577,967	1,235,836	(1,251,641)	15,000	1,577,162
Restricted funds					
Operational costs	186,548	387,200	(367,957)	(14,500)	191,291
Egmont US	-	-	(14,875)	14,500	(375)
Treebeard Trust	15,000	-	-	(15,000)	-
Peer Partner Activities	22,962	-	(10,212)	-	12,750
Foreign Currency Translation	44,014	-	37,209	-	81,223
Total restricted funds	268,524	387,200	(355,835)	(15,000)	284,889
Total funds	1,846,491	1,623,036	(1,607,476)	-	1,862,051

The Egmont Trust

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

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
<i>General</i>				
General fund	1,346,516	1,047,960	(816,509)	1,577,967
Restricted funds				
Operational costs	188,753	338,852	(341,057)	186,548
Treebeard Trust	15,000	15,000	(15,000)	15,000
Waterloo Foundation	-	65,000	(65,000)	-
VoH - 2015 Fundraising	11,706	-	(11,706)	-
Peer Partner Activities	30,786	-	(7,824)	22,962
Project Specific Grants	-	26,600	(26,600)	-
Foreign Currency Translation	81,904	-	(37,890)	44,014
Total restricted funds	328,149	445,452	(505,077)	268,524
Total funds	1,674,665	1,493,412	(1,321,586)	1,846,491

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

The specific purposes for which the funds are to be applied are as follows:

The Operation Costs fund - provided by Trustees and Patrons to cover the operating costs of the Charity, thus ensuring that all other income raised can be utilised on primary charitable activities.

The Treebeard Trust fund - to be used to support specific Egmont partner in 2018, yet to be decided.

Foreign currency funds represents the gains or losses year on year upon translation of U.S dollar bank accounts or debtors in to the charities functional currency.

Peer Partner Activities - Costs associated with peer partner activities such as in-country partner meetings for shared learning, funded by Trustees and Patrons.

16 Analysis of net assets between funds

	Unrestricted funds		Restricted funds £	Total funds £
	General £	Designated £		
Current assets	2,274,806	25,000	285,264	2,585,070
Current liabilities	(722,644)	-	(375)	(723,019)
Total net assets	1,552,162	25,000	284,889	1,862,051

17 Analysis of net funds

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
	Cash at bank and in hand		1,558,494
Net debt	1,558,494	(12,031)	1,546,463