

THE SIR GEORGE MARTIN TRUST

FINANCIAL STATEMENTS

for the year ended

5 APRIL 2019

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THE SIR GEORGE MARTIN TRUST

TRUSTEE'S ANNUAL REPORT

for the year ended

5 APRIL 2019

The Directors of the Trustee company present their report and the audited financial statements of the charity for the year ended 5 April 2019. The Trust has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting of Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply 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 published 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Status

The Sir George Martin Trust is a registered charity under number 223554. The governing document is a Trust Deed dated 10 December 1956.

Registered office

6 Firs Avenue
Harrogate
HG2 9HA

Trustee

The sole Trustee of the charity is Sir George Martin Trust Company Limited. This office is the only activity of the company.

The Directors of the Trustee company are:

T D Coates Chairman
R F D Marshall
M Bethel
P D Taylor MBE
M J Martin
M L Whyte
S Blenkinsop

The registered office is as above. The company registered number is 540045

Trust manager

The Directors of the Trustee company have delegated the day to day management of the Trust to C L Marshall.

Auditor

Wheawill & Sudworth Limited
Chartered Accountants
35 Westgate
Huddersfield
HD1 1PA

Solicitors

Gordons
Riverside West
Whitehall Road
Leeds
LS1 4AW

THE SIR GEORGE MARTIN TRUST

TRUSTEE'S ANNUAL REPORT (continued)

for the year ended

5 APRIL 2019

Bankers

HSBC plc
PO Box 45
47 Market Street
Bradford
BD1 1LW

Investment advisers

Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Establishment and History

The Trust was founded by the late Sir George William Martin (the Settlor), a wealthy Leeds businessman with many interests in the charitable sector, by means of a Trust Deed dated 10 December 1956 under which the Settlor declared that Sir George Martin Trust Company Limited (the Trustee) should hold the Trust funds on trust for such charitable institutions or such charitable objects as the Trustee should select.

At the time of founding the Trust, Sir George Martin was Chairman of the Leeds Infirmary, the YMCA, a national insurance company and an approved school as well as having a wide interest in other activities such as farming and the countryside. He established the Trust by the transfer of £30,000 of shares which for many years provided an income for mainly local charities in Yorkshire, where he took a keen interest. These included the YMCA, the Yorkshire Symphony Orchestra, the Methodist Homes for the Aged and the Harrogate Festival. Upon his death the residue of Sir George Martin's estate was left to the Trust.

Governance

The Trust is governed in accordance with the provisions of the Trust Deed by the Directors of the Trustee company whose names are listed on page 1 and who meet either three or four times a year.

Administration of the Trust

The administration of the Trust has been carried out by Carla Marshall in her role as Trust Manager very efficiently and with great enthusiasm. She has also carried out a considerable amount of the accountancy work.

Public benefit statement

The Directors of the Trustee company have considered the general guidance on public benefit issued by the Charity Commission in carrying out its objectives and activities and in delivering public benefit to the many institutions provided with financial and general help and are satisfied that the objectives fall under the provisions of the Charities Act 2011.

Achievements and performance

Grants made in the year amounted to £257,547. The total number of individual donations being 136 against 140 grants totalling £240,500 last year. The analysis of grants made in this and previous years is shown in the Annual Analysis of Grant Making on pages 20 to 26.

THE SIR GEORGE MARTIN TRUST

TRUSTEE'S ANNUAL REPORT (continued)

for the year ended

5 APRIL 2019

Other activities

In addition to running the operations of the Sir George Martin Trust and visiting more than 60 charity applicants, the Trust Manager, Carla Marshall continued to play an active role in organising the Yorkshire Grant Makers' Forum (YGMF). The May 2018 event at The Hospitium in York marked the 25th anniversary of the Forum being established and was attended by 90 individuals from funding organisations. Many of the funders also brought along some of their front-line charity contacts so that Yorkshire funders and fundees could celebrate together. The November 2018 Forum took place at Voluntary Action Sheffield's The Circle in the city centre. A number of the Trust's Trustees attended these Forums as part of their continuing professional development.

For a second year Carla was the co-ordinator of the Yorkshire & Humber Funders' Forum and during 2018 numbers for the four Forum meetings got to around 20 (up from 8-10 in 2016). Carla was instrumental in appointing a new Chair for the group and in 2019 work began to trial integrating the Yorkshire Grant Makers' Forum and Yorkshire & Humber Funders' Forum due to increasing cross over between the attendees, content and administration.

As part of her role with the Yorkshire & Humber Funders' Forum, Carla supported the steering committees for the 2018 (Hull) and 2019 (Barnsley) Focus on Funding events, but the organisation of these is now handled by infrastructure support organisations. She also attended the Hull event in October, taking part in the funders panel and having a stall at the funding fair in the afternoon.

The Trust ensured that it maintained a high profile amongst charities in the Leeds area by attending three funding fairs organised by Voluntary Action Leeds and Community Matters Yorkshire. The Trust also attended a June funding fair in Malton held by Community First Yorkshire which was attended by predominantly rural North Yorkshire groups, participated in the York Funders' Forum, and became part of a new Bradford funders group organised by Leeds Community Foundation.

In addition, the Trust continued its membership of the Association of Charitable Foundations (ACF) and attended their Annual Conference in November, as well as Wrigleys Annual Charity Law Conference in October.

Objectives and future policy of the Trust

The objectives are to distribute the income from the Trust fund amongst charities at the absolute discretion of the Directors of the Trustee company. The Directors of the Trustee company therefore have a wide brief but concentrates its giving in West and North Yorkshire, particularly the old West Riding cities of Leeds and Bradford. The intention of the Directors of the Trustee company is to continue the activities of the Trust as an independent charitable Trust.

Financial review

The Trust made a surplus of £412,943 (2018: deficit of £150,194) for the year ended 5 April 2019. The result comprised a deficit before transfers of £40,629 (2018: deficit of £48,078) upon the Income funds, with expenditure including grant payments exceeding investment income, and a surplus before transfers of £453,572 (2018: deficit of £102,116) upon the Capital funds comprising realised and unrealised net gains/(losses) and associated investment management fees. The Trust's total funds at 5 April 2019 totalled £8,602,224 (2018: £8,189,281).

THE SIR GEORGE MARTIN TRUST

TRUSTEE'S ANNUAL REPORT (continued)

for the year ended

5 APRIL 2019

Financial review (continued)

The deficit before transfers upon the income fund has arisen as historic levels of grant making have been greater than net income. The Directors of the Trustee company have, along with the investment managers, reviewed investment management policy in order to generate greater returns.

Investment policy and performance

Throughout the year the Directors of the Trustee company continued to follow the Trust's formal investment policy which is being reviewed on an annual basis. Rathbones and CCLA continued to achieve a higher level of income from the portfolio, whilst simultaneously protecting the real value of the Trust's assets.

Risk management policy

The Directors of the Trustee company have examined the major strategic, business and operational risks which the Trust faces and have adopted a formal risk management policy.

Reserves policy

The Directors of the Trustee company aim to maintain reserves at an adequate level to provide sufficient working capital to fund the charity's activities.

Trustee's responsibilities

The Directors of the Trustee company are responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in England and Wales requires the Directors of the Trustee company to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors of the Trustee company are required to:

- select suitable accounting policies and apply them consistently;
- observe the method and principles in the Charities SORP 2015 (FRS 102);
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee, being the Directors of the Trustee company, are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. The Directors of the Trustee company are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustee, being the Directors of the Trustee company, 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.

THE SIR GEORGE MARTIN TRUST**TRUSTEE'S ANNUAL REPORT** (continued)**for the year ended****5 APRIL 2019****Appointment of Auditor**

A resolution to re-appoint Wheawill & Sudworth Limited as auditor will be proposed at the Annual General Meeting.

On behalf of Sir George Martin Trust Company Limited

T D COATES

28 June 2019

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
THE SIR GEORGE MARTIN TRUST**

Opinion

We have audited the financial statements of The Sir George Martin Trust for the year ended 5 April 2019 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, 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 5 April 2019, 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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

THE SIR GEORGE MARTIN TRUST (continued)

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's 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.

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

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 Trustee's 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.

Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 4, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or has 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 regulations made under section 154 of that Act.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

THE SIR GEORGE MARTIN TRUST (continued)

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our Report

This report is made solely to the Trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to the Trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustee, for our audit work, for this report, or for the opinions we have formed.

WHEAWILL & SUDWORTH LIMITED
Chartered Accountants & Statutory Auditor

35 Westgate
Huddersfield
HD1 1PA

28 June 2019

THE SIR GEORGE MARTIN TRUST

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended

5 APRIL 2019

		2019	2018
		Unrestricted	Unrestricted
		Funds	Funds
	Note	£	£
Income and endowments from:			
Investments	2	294,234	271,412
Total income and endowments		<u>294,234</u>	<u>271,412</u>
Expenditure on:			
Investment management fees		30,348	33,090
Charitable activities	3	304,515	286,400
Total expenditure		<u>(334,863)</u>	<u>(319,490)</u>
Net gains / (losses) on investments	13	453,572	(102,116)
Net income/(expenditure) and net movement in funds		<u>412,943</u>	<u>(150,194)</u>
Reconciliation of funds:			
Total funds brought forward	16	8,189,281	8,339,475
Total funds carried forward	16	<u><u>8,602,224</u></u>	<u><u>8,189,281</u></u>

All income and expenditure derive from continuing activities.

The notes on pages 11 to 19 form part of these financial statements.

THE SIR GEORGE MARTIN TRUST**BALANCE SHEET****5 APRIL 2019**

	No	2019	2018
	te	£	£
Fixed assets			
Tangible assets	12	193	47
Investments	13	8,412,390	8,149,789
		<u>8,412,583</u>	<u>8,149,836</u>
Current assets			
Debtors	14	-	2,628
Cash at bank and in hand		203,389	50,231
		<u>203,389</u>	<u>52,859</u>
Creditors: amounts falling due within one year	15	(13,748)	(13,414)
Net current assets		<u>189,641</u>	<u>39,445</u>
Net assets		<u><u>8,602,224</u></u>	<u><u>8,189,281</u></u>
Charity Funds			
Unrestricted funds:			
Capital	16	8,519,060	8,160,662
Income	16	83,164	28,619
Total charity funds	16	<u><u>8,602,224</u></u>	<u><u>8,189,281</u></u>

The financial statements were approved and authorised for issue by the Board on 28 June 2019.

Signed on behalf of the Trustee company

T D COATES)
) Directors
R F D MARSHALL)

The notes on pages 11 to 19 form part of these financial statements.

THE SIR GEORGE MARTIN TRUST
NOTES TO THE FINANCIAL STATEMENTS
5 APRIL 2019

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Sir George Martin Trust is a registered charity in the United Kingdom under number 223554. The governing document is a Trust Deed dated 10 December 1956. The nature of the charity's operations and principal activity is to distribute the income from the Trust amongst charities at the absolute discretion of the Directors of the Trustee company, this is detailed further in the Trustee's report. The address of the registered office is given on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated by Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements have been prepared to give a 'true and fair' view and 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

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

(b) Funds

Unrestricted funds are available for use at the discretion of the Directors of the Trustee company in furtherance of the general objectives of the charity and which have not been designated for other purposes.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

1 Summary of significant accounting policies (continued)

(c) Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes costs of providing services and the payment of grants to the charities beneficiaries ; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment - 2 years straight line

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

1 Summary of significant accounting policies (continued)

(g) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension scheme for the benefit of its employee. Contributions are expensed as they become payable.

(l) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(m) Going concern

The financial statements have been prepared on a going concern basis as the Directors of the Trustee company believe that no material uncertainties exist. The Directors of the Trustee company have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

1 Summary of significant accounting policies (continued)

(n) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimates and assumptions to be made which may affect the amounts reported. These estimates and judgements are continually reviewed and are based upon experience and other factors, including expectations of historic events that are believed to be reasonable under the circumstances.

2 Income from investments

	2019	2018
	£	£
Dividends receivable	291,880	270,975
Taxation recoverable	(714)	104
Interest on short term deposits	187	333
Other income	2,881	-
	<u>294,234</u>	<u>271,412</u>

3 Analysis of expenditure on charitable activities

	Activities undertaken directly	Support costs	Total 2019	2018
	£	£	£	£
Grant making	<u>257,547</u>	<u>46,968</u>	<u>304,515</u>	<u>286,400</u>

4 Allocation of support costs

Support cost	Basis of allocation	Charitable activities	Total 2019	2018
		£	£	£
Staff costs	Charitable costs	32,680	32,680	30,583
Audit and accountancy costs	Charitable costs	6,250	6,250	6,075
Stationery, telephone and postage	Charitable costs	1,535	1,535	1,728
Website and IT costs	Charitable costs	1,285	1,285	2,553
Travel and subsistence	Charitable costs	2,911	2,911	2,571
Office costs	Charitable costs	266	266	275
Depreciation	Charitable costs	189	189	87
Loss on disposal of tangible assets	Charitable costs	43	43	-
Memberships	Charitable costs	460	460	460
Insurance	Charitable costs	706	706	532
Bank charges	Charitable costs	227	227	270
Training costs	Charitable costs	416	416	766
Total		<u>46,968</u>	<u>46,968</u>	<u>45,900</u>

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

5 Governance costs included within support costs

	2019	2018
	£	£
Staff costs	16,340	15,291
Audit and accountancy costs	3,650	3,475
Stationery, telephone and postage	768	864
Website and IT costs	642	1,277
Travel and subsistence	1,456	1,285
Office costs	133	137
Depreciation	95	44
Loss on disposal of tangible assets	21	-
Memberships	230	230
Insurance	353	266
Bank charges	113	135
Training costs	208	383
	<u>24,009</u>	<u>23,387</u>

These costs are included within expenditure on charitable activities as required by SORP (FRS 102).

6 Analysis of grants

	Grants to institutions	Grants to individuals	Total
	£	£	£
Grants to beneficiaries	<u>257,547</u>	<u>-</u>	<u>257,547</u>

7 Grants to institutions

Further details of grants made to institutions during the year can be found in the Annual Analysis of Grant Making included on pages 20 to 26 and Analysis of Donations on pages 27 to 29.

All grants are made to registered charities for grant funded activities.

Major grants made in the year were as follows:

	£
Bridge Community Church	5,000
Dementia Forward	5,000
Holbeck Elderly Aid	5,000
Leeds Playhouse	10,000
Martin House Children's Hospice	5,000
Opera North	5,000
St Gemma's Hospice	5,000
St Stephen's Church Bowling	5,000
Sunshine & Smiles – Leeds Downs Syndrome Network	5,000
Wakefield Hospice	5,000
	<u>55,000</u>
Other grants (126 in total all under £5,000 each)	202,547
	<u>257,547</u>

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

8 Net income / (expenditure) for the year

Net income / (expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible assets	189	87
Loss on disposal of tangible assets	43	-
(Gain) / loss on fair value movement of investments	(453,572)	102,116
	<u> </u>	<u> </u>

9 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £4,250 (2018 - £4,075) and accounts preparation charge of £2,000 (2018 - £2,000).

10 Trustees' and key management personnel remuneration and expenses

The Directors of the Trustee company neither received nor waived any remuneration during the year (2018: £Nil).

The reimbursement of Directors of the Trustee company's expenses was as follows:

	2019	2018	2019	2018
	Number	Number	£	£
Travel	2	1	298	246
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2019	2019	2018	2018
	Number	FTE	Number	FTE
Charitable activities	1	1	1	1
Governance	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The total staff costs and employees benefit's was as follows:

	2019	2018
	£	£
Wages and salaries	32,375	30,500
Social security	305	83
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

No employees received benefits (excluding employer pension costs) of more than £60,000.

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

12 Tangible fixed assets

	Office Equipment £	Total £
Cost:		
At 6 April 2018	1,597	1,597
Additions	378	378
Disposals	(174)	(174)
	<hr/>	<hr/>
At 5 April 2019	1,801	1,801
	<hr/> <hr/>	<hr/> <hr/>
Depreciation:		
At 6 April 2018	1,550	1,550
Charge for the year	189	189
Eliminated on disposal	(131)	(131)
	<hr/>	<hr/>
At 5 April 2019	1,608	1,608
	<hr/> <hr/>	<hr/> <hr/>
Net book value:		
5 April 2019	193	193
5 April 2018	47	47
	<hr/> <hr/>	<hr/> <hr/>

13 Fixed asset investments

	Listed investments £	
Fair value:		
At 6 April 2018	8,149,789	
Additions	914,430	
Disposals	(1,105,401)	
Revaluation – net gains / (losses), realised and unrealised	453,572	
	<hr/>	
At 5 April 2019	8,412,390	
	<hr/> <hr/>	
Carrying amount:		
At 5 April 2019	8,412,390	
	<hr/> <hr/>	
At 5 April 2018	8,149,789	
	<hr/> <hr/>	
Investments at fair value comprise:		
	2019	2018
	£	£
Equities	3,724,625	3,683,864
Fixed Interest Funds	609,706	701,811
Managed Funds	4,078,059	3,764,114
	<hr/>	<hr/>
	8,412,390	8,149,789
	<hr/> <hr/>	<hr/> <hr/>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

THE SIR GEORGE MARTIN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 APRIL 2019

14 Debtors

	2019	2018
	£	£
Taxation recoverable	-	2,628
	<u> </u>	<u> </u>

15 Creditors: amounts falling due within one year

	2019	2018
	£	£
Creditors:		
Yorkshire Grant Makers' Forum	2,827	2,963
Rathbones	7,521	7,326
	<u> </u>	<u> </u>
Accruals	10,348	10,289
	3,400	3,125
	<u> </u>	<u> </u>
	<u>13,748</u>	<u>13,414</u>

16 Fund reconciliation

Unrestricted funds

	Balance at				Gains /	Balance at
	6 April	Income	Expenditure	Transfers	(losses)	6 April
	2018	£	£	£	£	2019
	£					£
Capital fund	8,160,662	-	-	(95,174)	453,572	8,519,060
Income fund	28,619	294,234	(334,863)	95,174	-	83,164
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>8,189,281</u>	<u>294,234</u>	<u>(334,863)</u>	<u>-</u>	<u>453,572</u>	<u>8,602,224</u>

Fund descriptions

Unrestricted funds

The general funds of the charity are available to be distributed at the discretion of the Directors of the Trustee company in furtherance of the objects of the charity.

THE SIR GEORGE MARTIN TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****5 APRIL 2019****17 Analysis of net assets between funds**

	Unrestricted funds £	Total £
Fixed assets - tangible	193	193
Fixed assets – investments	8,412,390	8,412,390
Cash at bank and in hand	203,389	203,389
Other current (liabilities)	(13,748)	(13,748)
	<hr/>	<hr/>
Total	8,602,224	8,602,224
	<hr/> <hr/>	<hr/> <hr/>

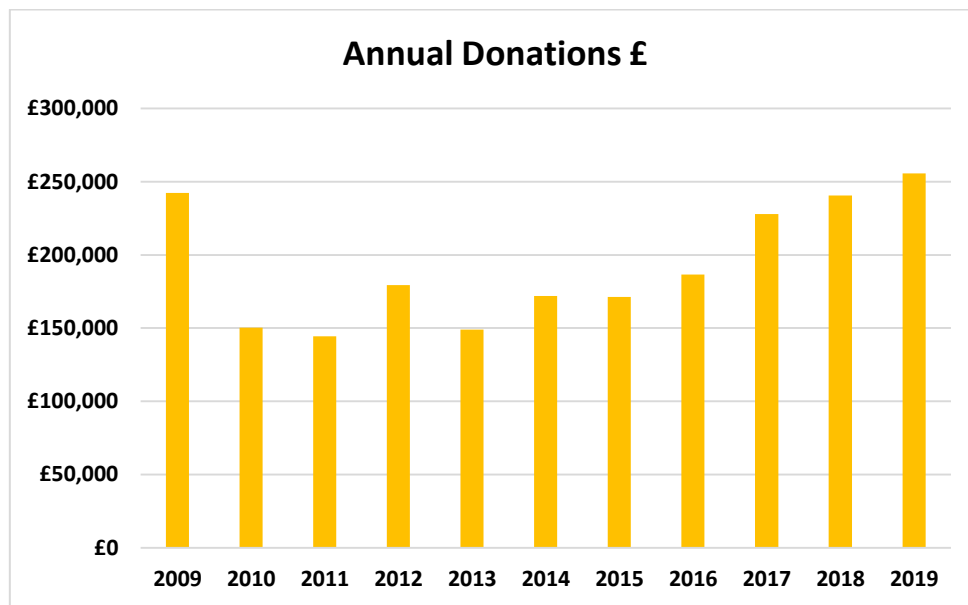


Annual Analysis of Grant Making April 2018 – March 2019

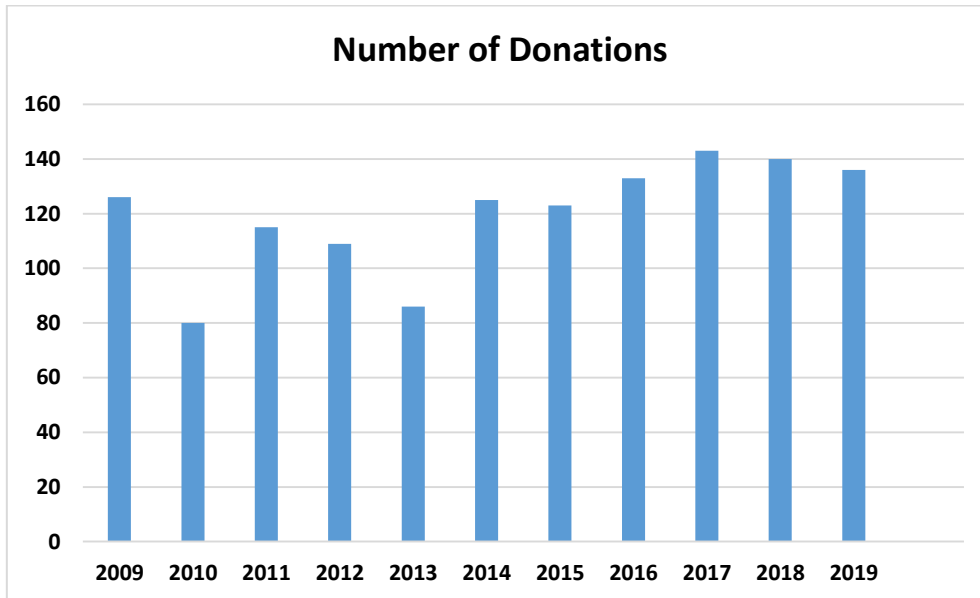
This is the sixth year that the Sir George Martin Trust has analysed its grant making in this way and the data is being used by the Trustees to review and formulate the Trust's grant making strategy for the future.

2018/19 marked the highest level of annual donations in the last 10 years, totaling £257,547. This is an increase of 7% from 2017/18 (£240,500) and comes primarily as a result of continued strong investment returns from the Trust's two investment management firms, partnered with the Trustees' desire to support as many effective charities as possible.

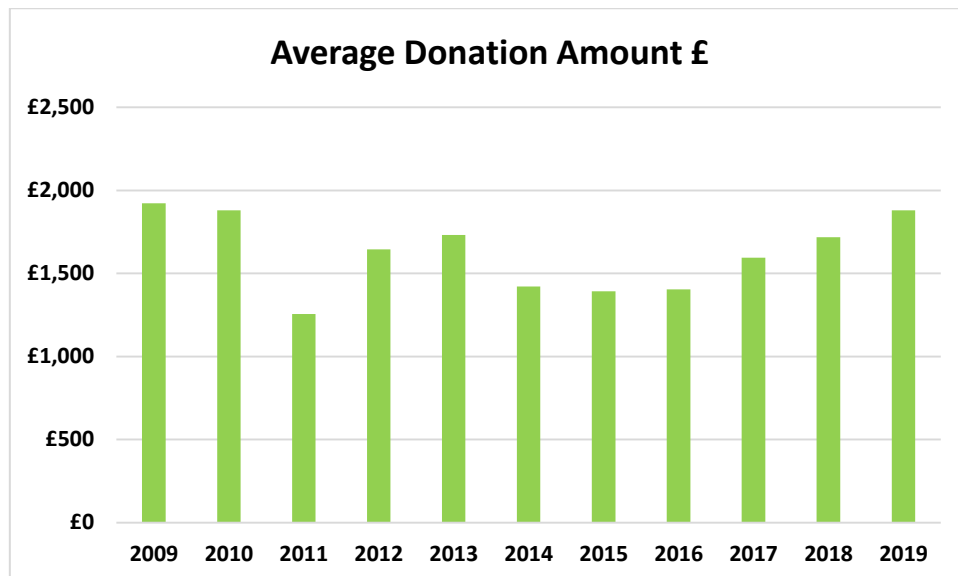
The number of donations during 2018/19 went down slightly by 3% - 136 vs. 140 in 2017/18, while the average donation amount rose by 10% from £1,718 to £1,893 during the last financial year. This reflects the Trustees' strategy to give out slightly more £5,000 grants as well as a large number of standard sized grants (£1,000-£2,000).



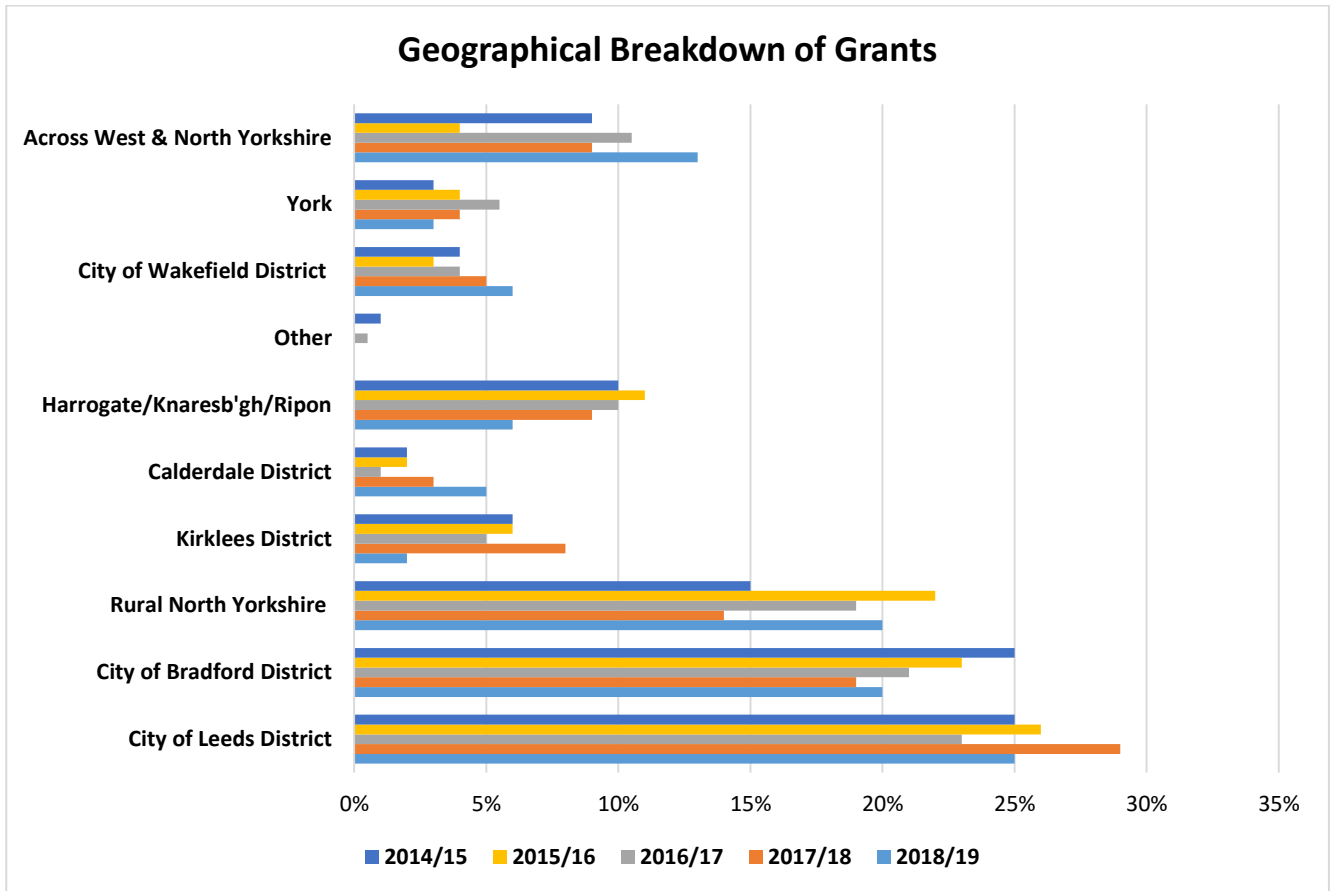
The years following the UK recession generally saw a decreased level in grants – low of £144,375 in 2011 – and since 2013 the figures show the steady increase in the Trust's total giving. The total amount of annual donations has risen due to: increased investment income; maintaining the levels of the capital fund; constant flow of applications which meet criteria and charities requiring funds from charitable trusts and foundations more than ever in order to maintain and grow their services to meet the need.



In the last 10 years the highest number of donations was in 2017 with 143 grants, compared with 80 in 2010. The graph shows the steady increase in the number of donations made each year since 2013 which have levelled out over 2017-19.



When it comes to the Sir George Martin Trust's average donation amount, the peak of £1,923 was in 2009 and this went down to £1,255 in 2011.

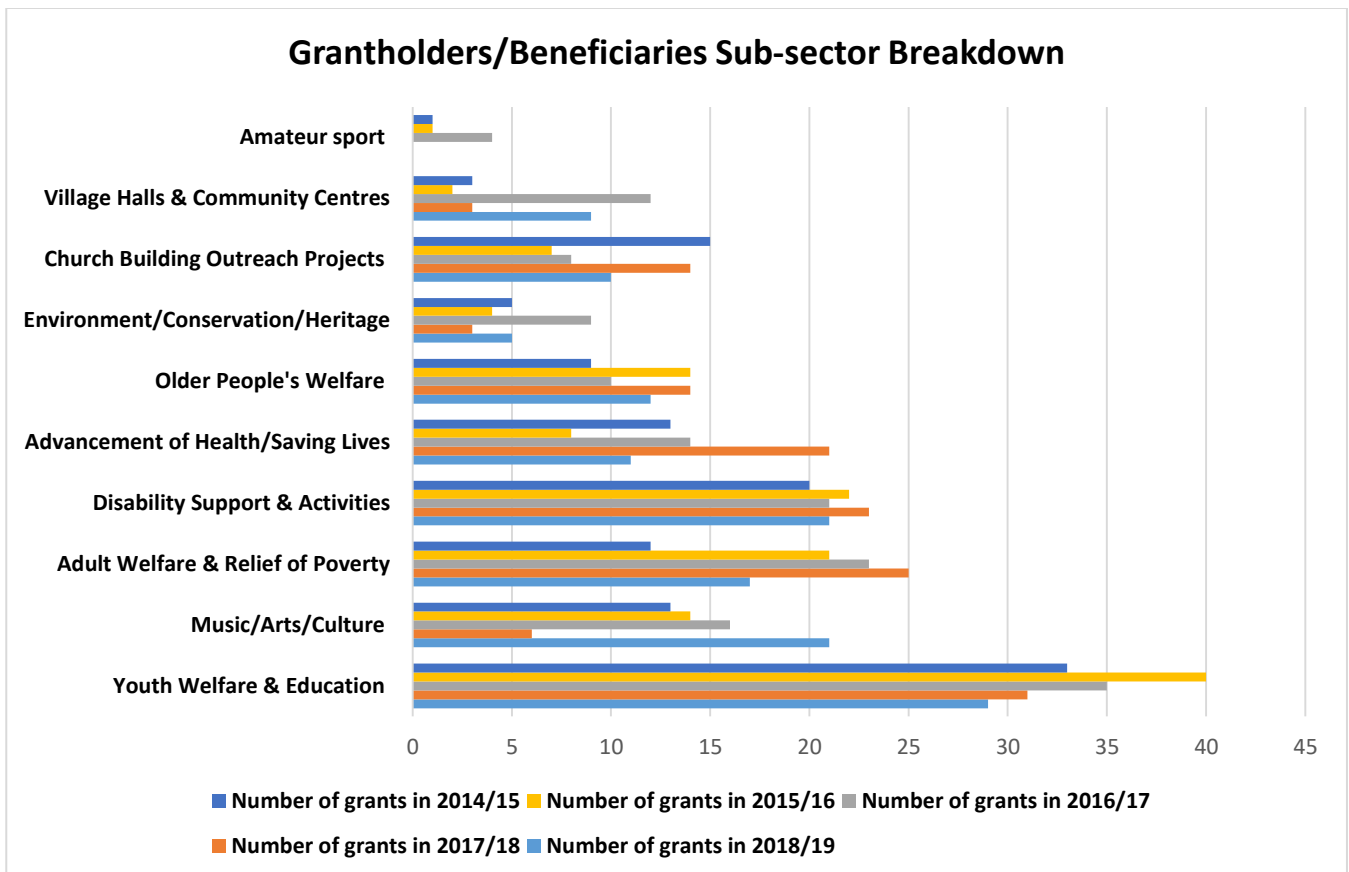


This graph shows the location of the Trust's charity grant holders and their beneficiaries. As with the last few years there have been some shifts in the geographical location of beneficiaries being supported by Sir George Martin grants, but there are no radical changes and the top three regions remained the same as 2017/18. However, Bradford and Rural North Yorkshire were neck and neck in the 2018/19 period, with 20% of all grants going to charities in both of these two areas. The number of grants made in each region is reflective of the number of applications that are coming in and is not due to the Trustees declining grants in certain regions.

There are some interesting points of note:

- Grants to Rural North Yorkshire have shot back up from 14% in 2017/18 to 20% in 2018/19. A large proportion of these grants were to village halls and church building outreach projects. The Trust Manager believes that a factor of this increase could be that during 2018/19 Community First Yorkshire was operational (number of CVS's merged in 2017/18 to form the organisation) and the funding advisors did a good job of telling rural North Yorkshire charities and churches about the Trust. Community First Yorkshire also held a funding fair in Malton which the Trust Manager attended. Furthermore, the Trust is well known by Two Ridings Community Foundation which covers North Yorkshire and they sometimes recommend that applicants approach the Sir George Martin Trust.
- Applications from the Bradford District picked up in the second half of 2018/19 and the Trust Manager worked with key contacts at CABAD (Community Action Bradford & District) and Leeds Community Foundation (which now has funds for Bradford) to ensure the Trust was on their radar.
- Giving in the Calderdale and Wakefield Districts increased and the Trust Manager feels that as with 2017/18 this may in part be due to relationships with the Councils in these areas which have come through the Yorkshire & Humber Funders Forum. There also appears to be an increased connectivity in the voluntary sectors within Wakefield and Halifax so there is better word of mouth between charities.

- In comparison, grants to the Harrogate District, Kirklees and York area were down, particularly Kirklees (Huddersfield, Dewsbury and Holmfirth are key towns), which went from 8% in 2017/18 to 2% in 2018/19. The Trust Manager doesn't believe there is any particular reason for this, but does not make a concentrated effort to promote the Trust in the Harrogate and York areas as statistically they have less disadvantaged people. However, Kirklees has a great deal of economically disadvantaged areas and in recent years the council has not had funding to give to the voluntary and community sector, including a support organisation which Harrogate, York, Leeds, Bradford, North Yorkshire, Wakefield and Calderdale all have. However, as a result of seeing these statistics the Trust Manager has now made connections with Kirklees Council's relatively new Community Investment Manager and Third Sector Leaders Kirklees which now has funding to support charities, and she will be meeting them soon.
- Giving to charitable projects/places which support people across West and North Yorkshire is higher than ever at 13%.



There were some definite changes in the charity sub-sectors receiving grants from the Sir George Martin Trust this year. This is reflective of the increase and decrease in applications from the different charity sub-sectors as well as the Trustees and Trust Manager having to decide on key areas of priority.

Here is the change in order and percentage comparison from 2017/18 to 2018/19:

2017/18		2018/19		
1	Youth Welfare & Education	22%	Youth Welfare & Education	21%
2	Adult Welfare & Relief of Poverty	18%	Disability Support & Activities & Music/Arts/Culture	15%
3	Disability Support & Activities	16%	Adult Welfare & Relief of Poverty	13%
4	Advancement of Health/Saving Lives	15%	Older People's Welfare	9%
5	Older People's Welfare & Church Building Outreach Projects	10%	Church Building Outreach Projects & Advancement of Health/Saving Lives	8%
6	Music/Arts/Culture	4%	Community Centres & Village Halls	7%
7	Environment/Conservation/Heritage & Community Centres/Village Halls	2%	Environment/Conservation/Heritage	4%
8	Amateur Sport	0%	Amateur Sport	0%

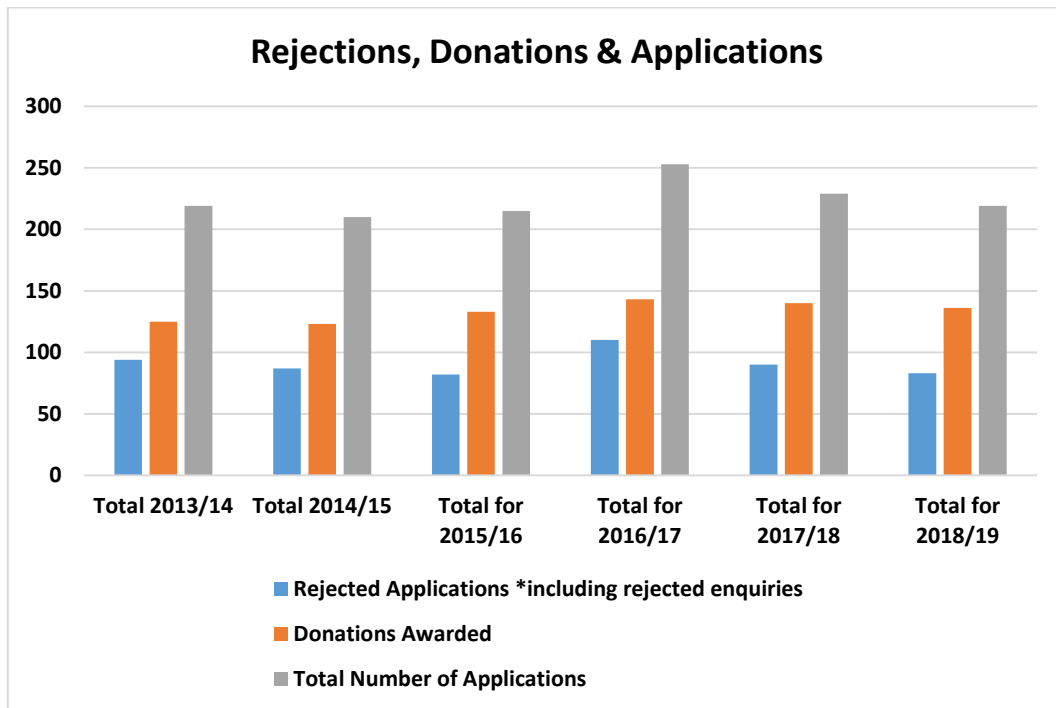
Giving to Music/Arts/Culture, which has always been a very important sector to the Trust, got extremely low in 2017/18 so there was a concentrated effort to increase giving in this area during 2018/19. The figures went from 4% in 2017/18 to 15% in 2018/19, taking Music/Arts/Culture into joint second place with Disability Support & Activities during the most recent period of giving. More applications relating to Music/Arts/Culture did appear to come in during 2018/19 and there were a number of large, once in a generation capital renovation projects for high profile buildings, particularly in Leeds which reflects the overall recent boom in the city. The Trust also made sure that a number of smaller charities delivering music and arts education programmes and experiences for people of all ages were supported. As the budgets and focus on arts and music in many state schools decreased, the Trust worked to support projects which ensured that more disadvantaged youngsters got the opportunity to experience the joys and benefits of music and the arts.

Youth Welfare & Education and Adult Welfare & Relief of Poverty remained in high positions, reflecting the continued reductions of services and support provided by local authorities. During 2018/19 the Trust Manager met a number of former local authority workers who had recently set up a new charity to meet the needs of local people, or who had joined a charity so that they could continue to do the work which the councils used to provide.

The number of Community Centres & Village Halls receiving a grant rose by 5%. The majority of these were Village Halls in rural North Yorkshire communities which were refurbishing their building so that they could host more local people, activities and events. In many rural areas the village hall and church are now the only community buildings remaining active. Hundreds of pubs, post offices, shops and schools have closed down and so the village hall and/or church are the glue that binds the community together.

Environment/Conservation/Heritage increased slightly. Over the past decade many of the small charities focusing on these areas have had to close due to lack of funding but it will be interesting to see if the recent surge in green/eco/zero carbon/climate change media coverage and public interest will result in new charities being set up.

There were again no grants given to pure Amateur Sport in 2018/19. A number of grants went to sports projects or activities but they all had a strong youth education, disability or adult welfare slant. This reflects the Trustees' decision to home in on disadvantaged people and places as they generally need support more than the mainstream sports clubs which often have a mix of members from different socio-economic backgrounds and/or have more opportunities to secure funding from their sports association, local businesses, etc.



This analysis shows that over the last two years the total number of applications and enquiries has gone down and this is due to the fact that there are far less random applications coming in. Not-for-profits appear to be doing more research and increasing the amount of time they spend on getting in touch with funders who are more likely to fund them. Gone are the days when dozens of impersonalised and untailed ‘blanket mailing’ letters/applications would come through from charities and voluntary groups all over the country asking to support their work in Essex, Cornwall or Manchester.

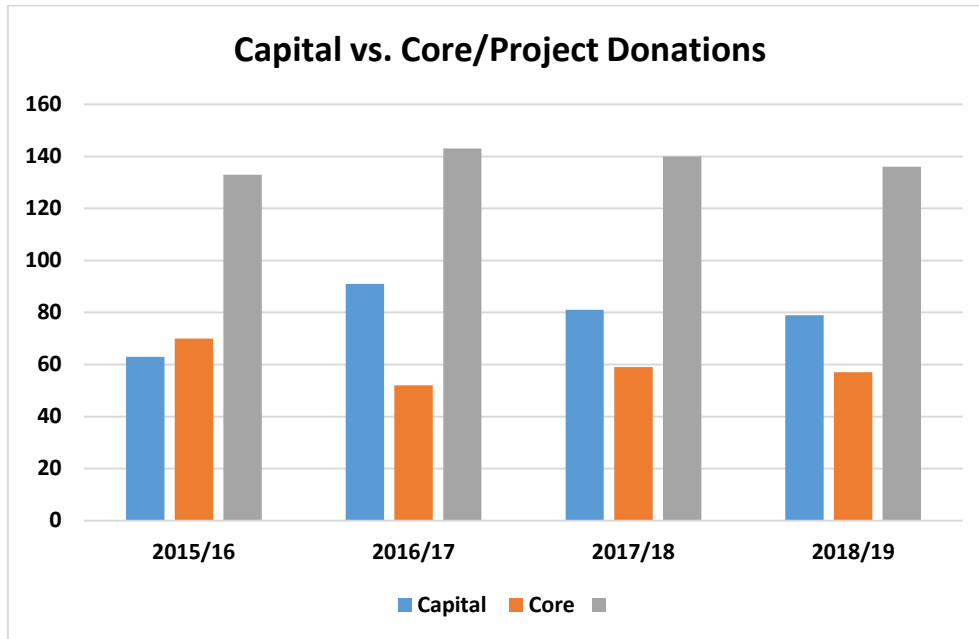
Many more small trusts and foundations have their own website than they did five years ago and charity fundraisers tend to use online sources and word of mouth far more than the old trust and foundation directory books which were popular for so long as they were the main source of information. Furthermore, there are far more charities coming to trusts and foundations for funding as their local authority/government funding has been cut or completely stopped so it is more competitive than ever. The Trust Manager believes this means that most charities have now made community fundraising and securing trust and foundation grants a top priority and the quality of many applications is higher than in the past.

As the Trust’s online profile is so important for maintaining a steady flow of applications from across West and North Yorkshire, the Trust Manager and marketing expert Trustee will be developing a new website which ensures increased SEO and setting up a LinkedIn page for the Trust.

The total number of applications and enquiries during 2018/19 was 219, compared with 229 in 2017/18. The total number of donations awarded in 2018/19 was 136 compared with 140 in 2017/18 and the number of rejections also decreased from 89 to 83.

The most common reasons for applications being rejected/deferred were:

- Not a registered charity
- National charity based out of West or North Yorkshire and does not have an on-the-ground presence in our region
- Pure salary and/or office running cost request
- A large, expensive capital project and no other funds had been secured yet



Although the Trustees continue to prefer to support capital needs, they are very aware that core and project costs are often what is needed most by charities. Interestingly the split between grants going to capital and core/project costs was exactly the same in 2018/19 as it was in 2017/18 – 58% for capital and 42% to core and project costs. Generally new applicants, who are coming to the Sir George Martin Trust for the first time, request funding for capital needs, while applicants who have received funding from the Trust before are more likely to ask for support to run a project or service. This is often because the charity and the Trust Manager have communicated over time about what their greatest needs are and they require funds to pay a project worker, venue hire, volunteer expenses, training, resource materials, etc.

THE SIR GEORGE MARTIN TRUST

DONATIONS

Year ended 5 APRIL 2019

1,500 Addingham Community Library
 2,000 All Saints Landmark Centre
 1,500 Archbishop of York Youth Trust
 1,650 Arts for Brighouse
 500 ASYABI (Association of Sickle Cell sufferers of Yorkshire & Africa & Basic Information)
 2,000 Autism Plus
 2,500 Awards for Young Musicians
 2,000 AWARE (Airedale and Wharfedale Autism Resource)
 2,000 Back Up
 1,000 Bangladeshi Youth Organisation
 2,000 Battle Scars
 1,500 Beamsley Project
 1,000 Beeston Scout Group
 1,000 Bradford North Methodist Circuit of Churches
 1,500 Bradford PHAB Club
 2,000 Bradford Toy Library & Resource Centre
 2,500 Bradford Trident
 5,000 Bridge Community Church
 1,000 British Wireless for the Blind Fund
 1,500 Buckden Village Hall
 1,500 Buglife
 1,500 Burley in Wharfedale Scout & Guide Group
 2,000 Burniston & Cloughton Bowls Club
 1,750 Buttershaw Family Christian Centre
 2,000 Caring Together in Woodhouse & Little London
 2,300 CaVCA (Coast & Vale Community Action)
 1,500 Charlie Waller Memorial Trust (on behalf of Broughton Hall Children's Literature Festival)
 1,500 Christ Church Sowerby Bridge
 2,500 Christians Together Calderdale
 1,500 Clifford Village Hall
 1,500 Clothing Solutions
 1,300 Coactive
 1,500 Compass Live Arts
 2,000 Connecting Crossgates
 2,000 Creative Learning Guild (Dean Clough Foundation)
 1,500 Croft-on-Tees Village Hall
 1,000 Cullingworth Village Hall
 5,000 Dementia Forward
 230 Dial Leeds
 1,500 East SILC John Jamieson School
 1,000 EDT
 1,500 Eggborough Methodist Church
 500 Elland Silver Band
 1,430 Featherstone Rovers Foundation
 1,600 Feversham Primary Academy
 2,000 Flourishing Families Leeds
 1,500 For Disability Mobility

THE SIR GEORGE MARTIN TRUST**DONATIONS****Year ended 5 APRIL 2019** (continued)

1,800 Go Kids Go!
 1,600 Grassington Festival
 2,500 Growing Works
 1,450 Hambleton Community Action
 1,720 Happy Hour Yorkshire
 1,000 Harrogate Competitive Festival Music, Speech & Drama
 1,000 Harrogate Hub
 2,000 Harrogate International Festivals
 2,000 Haworth Church Restoration Fund
 2,500 Health for All (Menspace Project)
 5,000 Holbeck Elderly Aid
 2,500 Hollybank Trust
 1,000 Huddersfield Choral Society
 1,000 Huddersfield Down Syndrome Support Group
 2,000 In2Out
 1,500 Jon Egging Trust
 2,820 Kidz Klub Leeds
 1,500 Langley House Trust
 1,000 Leeds International Piano Competition
 1,000 Leeds Leader
 1,000 Leeds Philharmonic Society
 10,000 Leeds Playhouse (Leeds Theatre Trust)
 2,000 LS29 Special Needs Support Group
 2,000 Macular Society
 2,100 Marine Society & Sea Cadets
 5,000 Martin House Children's Hospice
 1,070 Mencap - Ryedale & District
 2,000 Mencap Leeds
 2,000 MHA Huddersfield Live at Home
 2,000 MySight York
 2,200 National Youth Advocacy Service
 2,000 National Youth Orchestra of GB
 1,000 Newby & Scalby Library & Information Centre
 2,340 Next Steps Mental Health Resource Centre
 2,100 North Craven Building Preservation Trust
 2,000 Northern Ballet
 1,100 OPAL
 5,000 Opera North
 2,000 ORB Community Enterprise
 1,000 Oswaldkirk Village Hill
 2,000 Overgate Hospice
 1,000 Pennine Bowling Club for the Visually Impaired (Visually Impaired Bowls England)
 1,000 Pioneers UK Ministries
 2,500 Prince of Wales Hospice
 1,545 Principle Trust Children's Charity
 2,000 PSU Leeds (Personal Support Unit)
 1,000 Purple Patch Arts

THE SIR GEORGE MARTIN TRUST**DONATIONS****Year ended 5 APRIL 2019** (continued)

1,000 Read for Good
 1,500 Rodillian Multi Academy Trust
 1,580 RSPB Fairburn Ings
 1,000 Saltaire Festival
 2,500 Salvation Army, Bradford
 1,100 Scarborough Over 50s Friendship Centre (affiliated with Age UK Scarborough)
 2,500 School-Home Support
 1,500 Scout Group Skipton 5th
 1,000 SeeAbility
 1,500 Skipton & Craven Action for Disability (SCAD)
 2,500 SLATE
 1,800 Small World Arts Collective
 1,800 St. Catherine's Church Centre
 5,000 St. Gemma's Hospice
 2,000 St. George's Crypt
 1,000 St. Helen's Church (Stillingfleet PCC)
 1,500 St. Mark's Church, Newby
 1,500 St. Mary the Virgin, Long Preston Parish Church
 1,000 St. Michael & All Angels Middleton Tyas Church Committee
 5,000 St. Stephen's Church, Bowling
 2,500 Step 2 Young People's Health Project
 5,000 Sunshine & Smiles - Leeds Down Syndrome Network
 1,000 Sunshine & Smiles Leeds Down Syndrome Network
 2,000 Support After Rape & Sexual Violence Leeds
 2,000 Supporting Older People
 1,000 Team Dynamos
 1,872 The Island
 750 Theatre Royal Wakefield
 1,100 Thornton & Allerton Community Association
 1,500 Thornton in Craven Village Hall
 2,000 Thrive Alive
 1,000 Transform Theatre Projects
 640 Voices Foundation
 2,500 Wakefield Cathedral
 5,000 Wakefield Hospice
 2,000 Wetwheels Foundation (Yorkshire)
 1,000 Wharfedale District Scout Council
 1,500 Whixley with Green Hammerton Parochial Church Council
 2,000 Womersley Parochial Church Council
 2,000 YMCA Scarborough
 1,300 York Early Music Foundation
 1,000 Yorkshire Cricket Foundation

£257,547
