

Charity Registration No. 221467

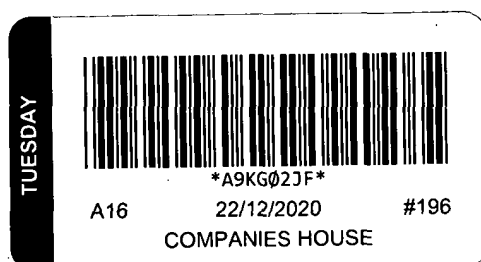
Company Registration No. 00371489 (England and Wales)

THE FRESHGATE TRUST FOUNDATION

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

COUNCIL MEMBERS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019



THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
LEGAL AND ADMINISTRATIVE INFORMATION

Members of the Council

Miss E S Murray

Mr J F B Hopkins

Mr D R Stone CBE

Mrs V A Linnemann

Miss H A Dobson

Mrs U R Fitch

Dr G F Russell

Mr G J Marston OBE

Mr N A MacDonald

Secretary

Emma Legdon

Charity number

221467

Company number

00371489

Registered office

The Hart Shaw Building

Europa-Link

Sheffield Business Park

Sheffield

S9 1XU

Auditor

BHP LLP

2 Rutland Park

Sheffield

S10 2PD

Solicitors

Wrigleys Solicitors LLP

150 Arundel Gate

Sheffield City Centre

Sheffield

S1 2FN

Investment advisors

Investec Wealth & Investment Limited

Beech House

61 Napier Street

Sheffield

S11 8HA

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
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THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2019

The Members of the Council present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charitable company'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 in October 2019.

Objectives and activities

The Freshgate Trust Foundation's objects are set out in the Memorandum of Association and comprise a wide variety of exclusively charitable purposes.

The Freshgate Trust Foundation is a grant making charity established in 1941 by Harry Brearley, the discoverer of stainless steel. His original aims of The Freshgate Trust Foundation were to provide grants to improve the social aspects of industrial life for fellow workers and their families.

The Freshgate Trust Foundation seeks to distribute substantially all of its net income after expenses each year. An application form is completed by all applicants. Completed application forms are reviewed by the Secretary and sorted according to the sphere into which each appeal falls. These applications are then considered at the Members of the Council meetings by the full board of Members of the Council and the level of appropriate grants determined according to a set of criteria established by the Members of the Council.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives.

In accordance with good, modern charity practice and present charity law, the Members of the Council have sought to establish a policy to meet the objectives whilst giving priority to organisations within the Sheffield and South Yorkshire area.

The Members of the Council have identified five specific spheres in which they feel that the objectives of the charity can best be met as follows:-

Education (including travel and training)
Heritage, restoration and environment
Music and the arts
Recreation (including holidays and sport)
Welfare, health and social care

The Members of the Council make grants to organisations with activities falling within the five spheres identified above. The grants awarded are summarised in note 6. The focus of the grants awarded is aimed to ensure the widest coverage of beneficiaries within those five spheres of activity.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

The Freshgate Trust Foundation's objects to make grants to a variety of charitable causes have to be balanced with the need to maintain and grow a capital base which generates the income to enable The Freshgate Trust Foundation to make grants. The Members of the Council are satisfied with the performance achieved during the year. In meeting their objectives for the year the Members of the Council have met at three main grant making meetings during the year to discuss the operation of the charity, review its activities and authorise payment of 60 grants awarded totalling £105,950 (2018 - 74 grants totalling £96,395). A summary of the beneficiaries of these grants is detailed in note 6 to the accounts. As outlined above, each application is reviewed initially by the Secretary in order to assess its eligibility within the trusts objectives and then is considered by the Members of the Council to determine the amount of any grant awarded.

The Freshgate Trust Foundation's income is generated from investments listed on the London Stock Exchange. These are managed on a discretionary basis by investment advisors who seek to achieve a balanced return of both income and capital growth. The performance of the stock market is outside the control of The Freshgate Trust Foundation and therefore the resultant income generated and capital performance of its investments may impact on the level of grant income The Freshgate Trust Foundation is able to distribute.

Each application for grant aid is considered on its own merits. However the quantity of applications received and the level of grant aid requested is outside the control of The Freshgate Trust Foundation.

Financial review

Gross income for the year of £175,887 (2018 - £149,633) is approximately 18% higher than last year.

Net income after charitable grants and administrative expenses for the year is £24,983 (2018 - £8,578). Net gains on investments amounted to £310,485 (2018 - £354,194 losses). The total unrestricted income funds at the year end was £3,850,206 (2018 - £3,514,738).

It is the policy of The Freshgate Trust Foundation to maintain liquid unrestricted funds, which are the free reserves of The Freshgate Trust Foundation, at a level which equates to at least six months unrestricted expenditure, currently around £76,000. This provides sufficient funds to cover management and administration and to respond to emergency applications for grants which arise from time to time. Liquid unrestricted funds were maintained above this level throughout the year and at the year end amounted to £112,508.

The Members of the Council have appointed regulated investment managers to manage the investments on a discretionary basis with a moderate attitude to risk. The asset allocation between equities and fixed interest/ corporate bonds and cash is flexible dependent on market conditions but is in the range of 60 to 75% equities, 0 to 20% fixed interest/ corporate bonds, 0 to 15% property, 0 to 15% alternative assets and 0 to 10% cash. Equity investments are restricted to 75% FTSE top 350 stocks with a bias towards FTSE 100 companies and 25% FTSE world stocks. An income target has been set of £150,000 with a minimum of £145,000. Actual income received during the year was £175,887. The investment policy and asset allocation was reviewed and revised during the year.

The Members of the Council have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Members of the Council have considered areas of risk and have concluded that they have little exposure to risk save for stock market volatility. In this respect, they have appointed competent fund managers who are regulated and the Members of the Council have set the investment risk as "high/medium". The Members of the Council have competent professional advisors all of whom carry professional negligence insurance. The Secretary is a consultant to a firm of Chartered Accountants who is likewise insured in this office through his firm's cover. The Freshgate Trust Foundation's bankers are substantial and are regulated. The Freshgate Trust Foundation is purely a grant maker and does not give advice to any grant applicants save where else they can apply for funds or how else they might improve their award opportunity from The Freshgate Trust Foundation.

THE FRESHGATE TRUST FOUNDATION (A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Members of the Council intend to keep under continual review the operations of The Freshgate Trust Foundation in order to adapt to changes in the investment markets and in the areas of need for grant aid whilst being mindful of the original intentions of The Freshgate Trust Foundation when this was established by Harry Brearley nearly 80 years ago.

Structure, governance and management

The charitable company is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

The Members of the Council who served during the year, or have been appointed subsequently, were:

Miss E S Murray

Mr J F B Hopkins

Mr D R Stone CBE

Mrs V A Linnemann

Miss H A Dobson

Mrs U R Fitch

Dr G F Russell

Mr G J Marston OBE

Mr N A MacDonald

None of the Members of the Council has any beneficial interest in the company. All of the Members of the Council are members of the company and guarantee to contribute £1 in the event of a winding up.

New Members of the Council are appointed from time to time. Suitable candidates are selected who have skills and work experience which compliment those provided by existing Members of the Council. Members of the Council are selected by personal recommendation and they are interviewed by a sub committee who make recommendations to the full board of Members of the Council for their consideration.

Once selected, new Members of the Council meet with the sub committee to be instructed on the duties and responsibilities and to provide any further training deemed appropriate.

The Freshgate Trust Foundation is administered by a board of Members of the Council with day to day matters being administered by the Secretary. All investments are managed by regulated investment managers who report to an investment sub committee comprising of five Members of the Council, however all decisions concerning investment of resources and award of grants are made by the full board of Members of the Council.

The Members of the Council have been significantly strengthened through the appointment of new Members over recent years drawn from the worlds of medicine, industry, education, finance and management. The commitment of the Members, the knowledge base and willingness to become involved in the investigation of unusual appeals, augurs well for the future.

The Members of the Council all give their time voluntarily and receive no benefit from The Freshgate Trust Foundation. Any expenses reclaimed are set out in note 8.

The Secretary, who is not a Member of the Council, is a consultant to a firm of Chartered Accountants which charges a fee for her services and the services of the firm which undertakes all the secretarial duties, preparation of annual accounts and provides meeting facilities for the Members of the Council.

Auditor

A resolution proposing that BHP LLP be reappointed as auditor of the charity will be put to the members.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
COUNCIL MEMBERS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditor

We, the Members of the Council who held office at the date of approval of these accounts as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as Members of the Council in order to make ourselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Council Members' report was approved by the Board of Members of the Council.

Erabel Murray

Miss E S Murray

Member of the Council

Dated: 6.11.20

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The Members of the Council, who are also the directors of The Freshgate Trust Foundation for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company, for that year.

In preparing these accounts, the Members of the Council 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Members of the Council are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the members are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE COUNCIL OF THE FRESHGATE TRUST FOUNDATION

Opinion

We have audited the financial statements of The Freshgate Trust Foundation (the 'charitable company') for the year ended 31 December 2019 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 charitable company 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 Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Members of the Council are responsible for the other information. The other information comprises the information included in the Council Members' 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.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE COUNCIL OF THE FRESHGATE TRUST FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Council Members' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Members of the Council were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Council Members' report and from the requirement to prepare a strategic report.

Responsibilities of Members of the Council

As explained more fully in the Statement of Council Members' Responsibilities set out on page 5, the Members of the Council (who are also the directors of the charitable company for the purpose of company law) 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 Members of the Council 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 Members of the Council are responsible for assessing the charitable company'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 Members of the Council either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE COUNCIL OF THE FRESHGATE TRUST FOUNDATION**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Senior Statutory Auditor)
For and on behalf of
BHP LLP
2 Rutland Park
Sheffield
S10 2PD

11 December 2020

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Income from:			
Investments	3	175,887	149,633
Expenditure on:			
Investment management costs	4	21,627	21,669
Charitable activities	5	129,277	119,386
Total expenditure		150,904	141,055
Net income before investments		24,983	8,578
Net gains/(losses) on investments	10	310,485	(354,194)
Net movement in funds		335,468	(345,616)
Fund balances at 1 January 2019		3,514,738	3,860,354
Fund balances at 31 December 2019		3,850,206	3,514,738

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

All income and expenditure derive from continuing activities.

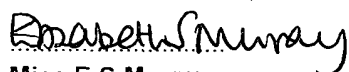
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL)
BALANCE SHEET
AS AT 31 DECEMBER 2019

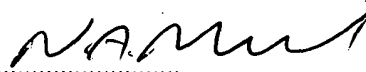
	Notes	2019 £	£	2018 £	£
Fixed assets					
Heritage assets	11		1,500		1,500
Investments	12		3,734,911		3,432,343
			<u>3,736,411</u>		<u>3,433,843</u>
Current assets					
Debtors	13	5,037		970	
Cash at bank and in hand		112,508		83,573	
		<u>117,545</u>		<u>84,543</u>	
Creditors: amounts falling due within one year	15	(3,750)		(3,648)	
Net current assets			113,795		80,895
Total assets less current liabilities			<u>3,850,206</u>		<u>3,514,738</u>
Unrestricted funds	16				
General fund		3,130,055		3,129,448	
Revaluation fund		720,151		385,290	
		<u>3,850,206</u>		<u>3,514,738</u>	
			<u>3,850,206</u>		<u>3,514,738</u>

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

The accounts were approved by the Members of the Council on 6.11.2020.



Miss E S Murray
Member of the Council



Mr N A MacDonald
Member of the Council

Company Registration No. 00371489

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

The Freshgate Trust Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Hart Shaw Building, Europa Link, Sheffield Business Park, Sheffield, S9 1XU.

1.1 Accounting convention

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of investments.

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

The principal accounting policies are set out below.

1.2 Going concern

The members have considered the impact of COVID-19 on the charities activities. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the members are confident that they have in place plans to deal with any impacts that arise.

The charity's investments have fallen significantly in value and the charity will also see a reduction in income from its investments. In committing to grant making activity over the next 12 months, cashflow will be closely monitored.

The charity has sufficient reserves to enable it to continue for the foreseeable future. Therefore the members believe it is appropriate for the financial statements to be prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Members of the Council in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the charitable company 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.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company 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.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions are fulfilled.

Support costs are the running of The Freshgate Trust Foundation itself as an organisation.

1.6 Heritage assets

Gold pocket watch and chain formerly owned by Harry Brearley, at a cost of £1,500 (2018 - £1,500). This is currently on loan to The Company of Cutlers in Hallamshire.

1.7 Fixed asset investments

Fixed asset 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.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

THE FRESHGATE TRUST FOUNDATION

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Fund accounting

The unrestricted fund represents the original gift and subsequent gifts and undistributed surpluses, together with realised and unrealised gains and losses on investments, all of which may be applied without restriction in furtherance of the objects of The Freshgate Trust Foundation.

2 Critical accounting estimates and judgements

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

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

3 Investments

	2019	2018
	£	£
Income from listed investments	175,887	149,633

4 Investment management costs

	2019	2018
	£	£
Investment management	21,627	21,669

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Charitable activities

	Grants £	Charitable expenditure £	Total 2019 £	Total 2018 £
Secretarial fees	-	19,200	19,200	19,200
Travelling and sundry expenses	-	383	383	191
Audit fee	-	3,744	3,744	3,600
	-	23,327	23,327	22,991
Grant funding of activities (see note 6)	105,950	-	105,950	96,395
	105,950	23,327	129,277	119,386

6 Grants in furtherance of the Foundation's objectives

	Number	2019 £	Number	2018 £
Education (including travel and training)	8	13,300	9	11,450
Heritage, restoration and environment	6	18,500	6	6,650
Music and the arts	7	9,500	13	18,120
Recreation (including holidays and sport)	15	27,250	20	23,800
Welfare, health and social care	24	37,400	26	36,375
	60	105,950	74	96,395

The Freshgate Trust Foundation does not award grants to individuals except in the case of educational prizes to students. This amounts to 2 to the University of Sheffield, 2 to Sheffield Hallam University and nil to Outo Kumpu (2018 - amounted to 2 to the University of Sheffield, 2 to Sheffield Hallam University and 4 to Outo Kumpu).

7 Employees

There were no employees during the year (2018: none).

8 Members of the Council

None of the Members of the Council (nor any persons connected with them) received any remuneration during the year. There were no travel expenses reimbursed to any Member of the Council in 2019 (2018 - £nil).

The Secretary, who is not a Member of the Council, is a consultant to a firm of Chartered Accountants. Fees are charged for her services and the services of the firm which undertakes all of the secretarial duties, preparation of annual accounts and provision of meeting facilities for the Members of the Council. There are no other parties related to The Freshgate Trust Foundation.

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Taxation

As a charity, The Freshgate Trust Foundation is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

10 Net gains/(losses) on investments

	2019	2018
	£	£
Revaluation of investments	286,143	(335,204)
Gains/(losses) on sale of investments	24,342	(18,990)
	<u>310,485</u>	<u>(354,194)</u>

11. Heritage assets

£

At 1 January 2019 and at 31 December 2019

1,500

12 Fixed asset investments

Listed
investments
£

Cost or valuation

At 1 January 2019	3,432,343
Additions	532,495
Valuation changes	286,143
Disposals	(488,778)

At 31 December 2019	<u>3,762,203</u>
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Carrying amount

At 31 December 2019	<u>3,762,203</u>
At 31 December 2018	<u>3,432,343</u>

THE FRESHGATE TRUST FOUNDATION
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	5,037	970

14 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through income and expenditure	3,734,911	3,432,343
Carrying amount of financial liabilities		
Measured at amortised cost	3,750	3,648

15 Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals and deferred income	3,750	3,648

THE FRESHGATE TRUST FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Unrestricted funds

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

This year	Balance at 1 January 2019	Incoming resources	Movement in funds			Balance at 31 December 2019
			Resources expended	Transfers	Investments gains/losses	
	£	£	£	£	£	£
General fund	3,129,448	175,887	(150,904)	(48,718)	24,342	3,130,055
Revaluation fund	385,290	-	-	48,718	286,143	720,151
	<u>3,514,738</u>	<u>175,887</u>	<u>(150,904)</u>	<u>-</u>	<u>310,485</u>	<u>3,850,206</u>
<hr/>						
Prior year	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Investments gains/losses	Balance at 31 December 2018
	£	£	£	£	£	£
General fund	3,160,061	149,633	(141,055)	(20,201)	(18,990)	3,129,448
Revaluation fund	700,293	-	-	20,201	(335,204)	385,290
	<u>3,860,354</u>	<u>149,633</u>	<u>(141,055)</u>	<u>-</u>	<u>(354,194)</u>	<u>3,514,738</u>

Unrestricted funds

The revaluation fund is required by the Companies Act 2006 and represents the amount by which investments exceed their historical cost.

The general fund represents the original gift and subsequent gifts and undistributed surpluses, together with realised gains and losses on investments, all of which may be applied without restriction in furtherance of the objects of the Foundation.

Transfers are to adjust the balance on the revaluation fund so it represents the difference between the total historic cost and the market value of the investments.

17 Related party transactions

During the year grants were made to Sheffield Family Holiday Fund of £5,000 (2018 - £4,500), St Luke's Hospice of £nil (2018 - £2,200), Cavendish Hip Foundation of £1,000 (2018 - £nil), Wentworth Woodhouse Preservation Trust of £10,000 (2018 - £nil). Mr J F B Hopkins is a Trustee of Sheffield Family Holiday Fund and Cavendish Hip Foundation; Miss E S Murray is a Trustee of Sheffield Family Holiday Fund; Mr N MacDonald is a Trustee of St Luke's Hospice; Mr J H Robinson is a volunteer at Wentworth Woodhouse;

There were no other disclosable related party transactions during the year (2018 - none).

THE FRESHGATE TRUST FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

18 Post Balance Sheet events

The members have considered the impact of COVID-19 on the business in their assessment of the going concern basis in note 1.2. The impacts are the direct result of Government and International policy in response to the pandemic and such policy only arose after the balance sheet date. The members therefore consider the impacts of COVID-19 on the charity to be a non-adjusting post balance sheet event.