

The Textile Conservation Foundation
Trustees' Report and unaudited Financial Statements
for the year ended 31 July 2016

Company Registration No: 1208092 (England and Wales)
Registered Charity No: 269430
Registered Scottish Charity No: SC044036

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Company information

President:	The Duke of Wellington OBE DL
Vice President:	Lucinda Chetwode
Trustees:	Clare Meredith, Chairman Shona Malcolm, Honorary Treasurer Professor Nick Pearce Dr Mary M Brooks Ian Gow Caroline Lorimer
Secretary:	Clare Daly
Independent Examiner:	Andrew Niblock Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Bankers:	CAF Bank 58 Kings Hill Avenue King's Hill West Malling Kent ME19 4JQ
Investment Managers:	Rathbones 1 Curzon St London W1J 5FB
Registered Office:	The Trust Partnership 6 Trull Farm Buildings Tetbury Gloucestershire GL8 8SQ
Charity registration number:	SC044036
Charity registration number:	269430

Chairman's report **for the year ended 31 July 2016**

I am delighted to report on a year of notable success for both for the Textile Conservation Foundation (TCF) and the Centre for Textile Conservation (CTC).

The Centre for Textile Conservation

First and foremost, many congratulations to Professor Lennard! Frances has been recently promoted from Senior Lecturer to Professor, thereby joining just a handful of professorial appointments within the conservation profession, as well as becoming the first UK Professor of Textile Conservation. Three areas underpin Frances' professional practice: leading delivery of the CTC's acclaimed 2-year MPhil course, her outstanding publishing record and, thirdly, a highly significant programme of research projects - past and present.

Frances is the Principal Investigator for two current major research projects: *Situating Pacific barkcloth production in time and place* and *From the Golden Age to the Digital Age: modelling and monitoring historic tapestries*. The barkcloth project, funded by the Arts and Humanities Research Council (AHRC), is a partnership between Glasgow University's Hunterian Museum, the Royal Botanic Gardens Economic Botany Collection at Kew, and the Smithsonian Institution. Three CTC-based staff were swiftly appointed this year – historian, conservator and scientist – and are already making important discoveries about 'tapa', the alternative name for barkcloth.

The Leverhulme Trust is funding research into whether proven monitoring techniques used by engineers can inform conservators about the effects on tapestries of different conservation and display techniques. Partners for this major project are Historic Environment Scotland, Glasgow Museums and Glasgow University's Engineering Department. The post-doctoral Research Assistant and PhD student for this project have been appointed, the latter being an MPhil Textile Conservation graduate who benefitted from TCF bursary support when she was a student.

Alongside Frances' richly deserved promotion, congratulations go to Dr Anita Quye, CTC's Lecturer in Conservation Science, who has also been promoted - to Senior Lecturer. As noted below, promising pilot phases of further research projects led by Anita and other colleagues - e.g. painted textiles and historical dyes - have been supported by TCF this year, both of which have much potential for future development.

The Textile Conservation Foundation

For the academic year 2015-16, TCF awarded bursaries to 14 students from the UK and overseas, thanks to the generosity of our many funders. TCF Trustees are passionate in our support for the Centre, not least because training provided by the Centre is world- leading, thanks to the hard work and highest standards set by Frances Lennard and her colleagues.

The Trustees continue to be deeply impressed by the progress students make from their first weeks on the course to their graduation two years later. Their development is extraordinary and it is such a pleasure to watch their growing confidence as emerging conservation professionals, and to learn of their progress as their careers develop.

Dr Karen Finch

In 2015, the 40th anniversary of Karen Finch's founding of the Textile Conservation Centre, the Foundation initiated the *Karen Finch Prize*, awarded to an outstanding final year MPhil Textile Conservation student. Last year the prize was awarded to Fiona Wain and this year to Nora Frankel, and many congratulations to both students from the TCF Trustees.

Chairman's report *(continued)* **for the year ended 31 July 2016**

Dr Jing Han

The Foundation was, somewhat unusually and thanks to enormously generous support from a family trust, able to assist a PhD student these past three years. Jing Han's research into historical Chinese dyes of the Ming and Qing Dynasties (1368-1911) has been most impressive and, whilst 'ground-breaking' is an over-used term, it is entirely appropriate in this case. Dr Jing Han graduated in July 2016 and TCF Trustees wish her every success for what promises to be a very successful research career.

Development Fund

As noted in the Trustees' Report, the Foundation's Development Fund is a precious resource we use sparingly and strategically. This year, for example, we have provided two research grants to fund pilot projects, one focusing on painted textiles and the second on the use of LED lighting for light sensitive dyes. The painted textiles pilot project, funded by TCF and undertaken by Karen Thompson and Dr Margaret Smith, has resulted in an AHRC application for a major research grant. The second project, led by Dr Anita Quye, will help build the funding case for a significant Filtered Light research project, considering the aesthetic impact of tuneable lighting on dyed textiles.

The final strategic grant drawn this year from our Development Fund saw TCF Trustees commissioning a scoping study, to be completed this autumn, investigating the potential of a future Modern Materials programme. This could be a most significant development for both the Centre and the sector and I shall report further on this in next year's annual report.

Trustees

We welcomed new Trustees during the year and said farewell to one long-serving colleague. I would like to warmly thank Lady Smith of Kelvin, who stood down in February 2016, exactly five years after her appointment. Lady Smith was a stalwart supporter of the Centre's predecessor, the TCC, and as TCF Trustee she helped see the charity through its early transitional years when establishing the CTC. Lady Smith had a particular interest in students' progress and welfare; her quiet wisdom has been much valued and she is sorely missed. We are most grateful to her for her enormous support and are delighted she wishes to remain in touch with both TCF and CTC developments.

A Trustee Skills Audit last year helped inform our selection of two new Trustees who joined the Board during the year: Ian Gow and Caroline Lorimer. Ian Gow is Chief Curator Emeritus with the National Trust for Scotland and has an unrivalled depth of knowledge of historic interiors and the heritage sector in Scotland. Caroline is an interior designer with a particular interest in textiles, and brings valuable new networks and fundraising experience to the TCF through her work for NADFAS and with arts charities in Ayrshire.

Acknowledgments

I would like to thank my fellow Trustees for the significant contribution each one has made this past year; we are indeed so much greater than the sum of our parts. We are especially well supported by Trustee Shona Malcolm, the Foundation's outstanding Treasurer, and by Nell Hoare and Clare Daly, Consultant and Secretary to the TCF respectively.

May I take this opportunity to pay particular thanks to Nell, whose commitment to and involvement with textile conservation now extends exactly 25 years. Between 1991-2009 she was Director of the TCC, first at Hampton Court Palace and in 1999 oversaw the move to the University of Southampton's Winchester Campus. Then, in 2009 following negotiations she led with the University of Glasgow, the present Centre

Chairman's report *(continued)*
for the year ended 31 July 2016

successfully relocated, whereupon Nell was appointed Consultant to the TCF. As recorded in this year's Trustees' report, Nell has secured a staggering total of over £1.14m of external funding between January 2010 and July 2015, directly benefiting both students through annual bursaries as well as the development of CTC research projects.

I would like to further thank our many generous funders, to whom we are so indebted. Their support over the past four decades has enabled many hundreds of individuals to pursue careers as textile conservators and curators, and it is inspiring to reflect on the incalculable contribution these professionals make to the heritage of the 41 countries where they now work.


Clare Meredith ACR
Chairman

 September 2016

Trustees' annual report **for the year ended 31 July 2016**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st July 2016. The Trustees' Report also represents the Directors' Report as required by the Companies Act 2006.

Legal and administrative information set out on the information page forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2008).

Structure, governance and management

The Textile Conservation Foundation is a registered charity (Nos. 269430 and SC044036) and a company limited by guarantee (No. 1208092). The governing document is the Memorandum of Articles of Association dated 17th April 1975. The Trustees of the charitable company during the year were:

Mrs Clare Meredith, Chairman
Mrs Shona Burns Malcolm, Treasurer
Ms Elizabeth Arthur (resigned 30 September 2015)
Professor Nicolas Pearce
Lady Smith of Kelvin (retired February 2016)
Dr Mary Michelle Brooks
Mr Ian Gow (appointed 30 September 2015)
Mrs Caroline Lorimer (appointed 30 September 2015)

As set out in the Articles of Association there may be up to 12 Trustees, including one Chairman and one Honorary Treasurer. The Trustees are gathered from diverse backgrounds bringing with them a wide range of experience and skills. One third of the Trustees retire annually at the Annual General Meeting and may be eligible for re-election. The Trustees have the power to appoint any person as an additional member of the Council.

New Trustees are given a detailed induction to brief them on the current work and future plans of the Foundation and of the Centre for Textile Conservation and Technical Art History. They are also briefed on the Memorandum and Articles of Association, their legal obligations, the decision-making process and the recent Trust's financial performance. The Trustees meet not less than twice yearly.

The management and control of the Foundation is vested in the Council, which has general control of all the business of the Foundation, except such business as under Statute or the Memorandum or the Articles must be expressly exercised in General Meeting. The Council is, for legal purposes, the Board of Directors of the Foundation.

The main focus of its support is the Centre for Textile Conservation at Glasgow University.

Risk Assessment

The Trustees of the Textile Conservation Foundation acknowledge that best practice indicates it is prudent to give consideration to risks and their mitigation.

The Trustees have undertaken a risk analysis in the light of the developments over the past year. They regard the major risks as follows:

- Changes in the higher education environment in Scotland, particularly funding, in the coming year.
Medium risk, medium impact.
- Potential second Scottish Independence referendum, which would affect the ability of the Foundation to raise funds from grant funders based in England.
Medium risk, medium to high impact.

Trustees' annual report *(continued)* **for the year ended 31 July 2016**

Risk Assessment *(continued)*

- Changes in the strategic direction of the University of Glasgow.
Low risk, medium to high impact.
- Failure to raise sufficient funds to cover bursary needs and support other developments at the new Centre.
Low risk, medium impact.
- UK exit from the EU potentially having an impact on the number of European students applying
Medium risk, medium to high impact

The Trustees are addressing these by maintaining a close relationship with the University, whose nominee as Trustee is Professor Nick Pearce, and by putting increased efforts into supporting fundraising and finding new sources of funding for the TC Foundation and the Centre for Textile Conservation.

In addition the Trustees have completed review of the skills of Board members to ensure that the Board has access to appropriate skills, expertise and experience.

In February 2016 the Trustees agreed a five-year framework for the period 2016 to 2020, which will guide the work of the Foundation.

Objectives and Activities

The objects of the charity are currently:

- (1) to promote for the public benefit the conservation, restoration and understanding of tapestries, dress, embroidery and other textile objects of historic, cultural or artistic value ("Textiles");
- (2) to promote the provision of a permanent organization to co-ordinate and improve the knowledge, methods and working standards needed to protect and preserve Textiles for the benefit of the public, and to educate and train persons in the conservation and restoration of Textiles; and
- (3) to support other persons and organisations to promote the research into methods and techniques for conserving and restoring Textiles and to publish the results of such research.

The Trustees have reviewed these objectives and activities of the charity against the public benefit guidance issued by the Charity Commission and OSCR, and are satisfied that their requirements are being met through ensuring that textile conservation methods and techniques are passed on, in particular by giving financial support to students to study in this area and by supporting research projects which develop those methods and techniques.

The strategies employed to achieve the charity's objectives are:

- to raise awareness to the work of the Centre for Textile Conservation;
- to monitor the progress of the new Centre against the provisions of the legal agreement between the TC Foundation and Glasgow University;
- with the personal involvement of the Trustees, to seek new sources of funds and continued support from the existing funders to augment funds available for bursaries for textile conservation students and also to support the purchase of equipment and such other projects as are priorities for the Centre.
- to use the Development Fund strategically to support research and development at the Centre, to enhance its current and future work.

These strategies will be kept under review and be revised where necessary as the Centre develops, to ensure that they are the most relevant and effective means of supporting textile conservation education and research into the future.

The above strategies were employed successfully during the year.

Trustees' annual report *(continued)* **for the year ended 31 July 2016**

Objectives and activities *(continued)*

The Foundation uses the income from its Endowment Fund (Restricted fund) to augment the external bursary funding that it secures, so enabling at least one additional student each year to be supported. The Foundation also uses its Development Fund (the residue of the exit payment paid to it by the University of Southampton) to support strategic developments at the Centre. The Trustees are acutely conscious that such a fund will be difficult to replace in the future, so they are making grants to the Centre from the fund with great care to ensure they are used to the best strategic effect.

The Trustees record their sincere thanks to all of the many trusts, foundations, livery companies and individuals for their generous support during the year.

Financial review

The results for the year are shown on pages 11 to 17. The foundation made a deficit for the year before investment gains of £16,959 (2015 £60,042). Net investment gains of £30,594 (2015 £2,976) resulted in a increase in reserves of £13,635 (2015 decrease of £57,066) bringing the total reserves at 31 July to £847,142 (2015 £833,507).

It is the policy of the Foundation to hold sufficient monies to fund its general running costs for a rolling period of at least 12 months. The level of reserves is funded primarily from donations and interest earned on unrestricted income and is monitored by the Treasurer, on a quarterly basis against anticipated expenditure. In the event of the reserves not exceeding expenditure for any forthcoming 12 months, the Trustees will meet to discuss any remedial actions that may be taken. This policy will be reviewed annually at the AGM.

At the year-end, the Foundation held in excess of 12 months' of reserves, as explained above.

The Investment Policy provides guidance as to how the asset management functions delegated by the Trustees should be exercised in the best interests of the Foundation. It is intended that the real value of assets be maintained and enhanced over the long term by investment in a portfolio comprised of equities, fixed income stocks and cash.

For the purpose of meeting the TCF objectives, the Trustees wish to withdraw a sum each year to meet their planned annual bursary expenditure, which is discussed and approved by Trustees at their June meeting each year. The withdrawals may be met from income or capital; where the assets are a permanent endowment, withdrawals may only be made from income. Additionally, £100,000 of unrestricted funds are held with the restricted investment funds with Rathbone for investment in order to achieve a better return on these funds. The income from these funds will be put towards the general running costs of the charity.

Trustees have appointed Rathbone Investment Management to manage a diversified portfolio of suitable investments on a discretionary basis. The Trustees are seeking to rebalance the portfolio over a period of time to achieve a better mix of equities, fixed income stocks and cash. This will ensure that the income requirements are appropriately balanced with the desire to maintain and grow the portfolio within acceptable risk parameters.

Plans for future periods

The plans for future periods are:

- to continue to review the management of the TCF's investment funds;
- to continue to support and to monitor the progress of the Centre for Textile Conservation in the context of the legal agreement between the Foundation and the University of Glasgow;
- to assist with the implementation of the five-year business plan for the Centre for Textile Conservation, for the period 2016-2020, which will help guide the Textile Conservation Foundation's support of the Centre, ensuring it is strategically and effectively directed; and

Trustees' annual report *(continued)*
for the year ended 31 July 2016

Plans for future periods *(continued)*

- as necessary, to appoint new trustees to fill vacancies and to cover skill shortages identified in the Trustees' Skills Audit.

Trustees' responsibilities in relation to the financial statements

Company law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at the time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Examiners

Andrew Niblock of Henderson Loggie has agreed to offer himself as independent examiner of the charity.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime under Part 15 of the Companies Act 2006.

By order of the Trustees


Clare Meredith
Chairman

28 September 2016

Donor List

for the year ended 31 July 2016

The Textile Conservation Foundation is most grateful to all those who support the Foundation's activities, particularly following trusts and foundations that generously provided financial support for the bursaries, equipment and other projects during the last two years:

2015/16 Donors

H B Allen Charitable Trust
Lord Barnby's Foundation
The BADA Trust
The Binks Trust
The Clothworkers' Foundation
The Coats Foundation Trust
The Ernest Cook Trust
The Drapers Charitable Fund
The Worshipful Company of Dyers
William Grant Foundation
Leche Trust
Esmee Mitchell Trust
NADFAS
Anna Plowden Trust
The Radcliffe Trust
Scouloudi Foundation
South Square Trust
The Stafford Trust
Barbara Whatmore Trust

2014/15 Donors

Lord Barnby's Foundation
The Coats Foundation Trust
Cotton Industry War Memorial Trust
The Clothworkers' Foundation
The Worshipful Company of Dyers
The Elizabeth Frankland Moore and Star Foundation
Golsoncott Foundation
The Great Britain-China Educational Trust
Headley Trust
Leche Trust
NADFAS
Anna Plowden Trust
Scouloudi Foundation
Society of Deacons and Frees Presses of Glasgow
Sino-British Fellowship Trust
South Square Trust
The Turtleton Charitable Trust
Walter Guinness Charitable Trust
Barbara Whatmore Trust

And a number of organisations and individuals who prefer to remain anonymous

HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA

Independent Examiner's report to the Trustees of The Textile Conservation Foundation

I report on the financial statements of the charitable company for the year ended 31 July 2016 which are set out on pages 11 to 17.

Respective responsibilities of the Trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act") and the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the 2006 Regulations"). The charity's trustees consider that the audit requirement of Regulation 10(1)(d) of the 2006 Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular matters have come to my attention.

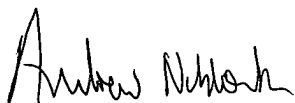
Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Regulations; and
 - to prepare accounts with accord with the accounting records and comply with Regulation 9 of the 2006 Regulations;have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Andrew Niblock

Henderson Loggie, 34 Melville Street, Edinburgh EH3 7HA

September 2016

Statement of financial activities

for the year ended 31 July 2016

	Notes	Restricted Funds 2016 £	Designated Funds 2016 £	Unrestricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Income from:						
Donations	3	148,150	-	-	148,150	134,150
Investments	4	10,510	-	6,639	17,149	19,759
Total income		158,660	-	6,639	165,299	153,909
Expenditure on:						
Raising funds	5	(255)	-	-	(255)	(5,627)
Charitable activities	6	(159,200)	(7,194)	(15,609)	(182,003)	(208,324)
Total expenditure		(159,455)	(7,194)	(15,609)	(182,258)	(213,951)
Net gains/(losses) on investments	8	30,594	-	-	30,594	2,976
Net income/expenditure		29,799	(7,194)	(8,970)	13,635	(57,066)
Funds brought forward		612,133	151,399	69,975	833,507	890,573
Funds carried forward		641,932	144,205	61,005	847,142	833,507

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

All incoming resources and resources expended derive from continuing activities.

Balance sheet
at 31 July 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investments	8		655,127		626,507
Current assets					
Debtors	9	395		649	
Cash at bank and in hand		207,206		236,124	
		<u>207,601</u>		<u>236,773</u>	
Creditors: amounts falling due within one year	10	(15,586)		(29,773)	
Net current assets			192,015		207,000
Total net assets			847,142		833,507
			=====		=====
Funds					
Restricted funds - General			535,561		537,359
- Revaluation reserve			106,371		74,774
			<u>641,932</u>		<u>612,133</u>
Designated funds	11		144,205		151,399
Unrestricted funds	12		61,005		69,975
			<u>847,142</u>		<u>833,507</u>
			=====		=====

The Trustees are satisfied that for the year in question, the Charitable Company was entitled to exemption from an audit under section 477 of the Companies Act 2006 and that the members have not required the Charitable Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under Part 15 of the Companies Act 2006.

The financial statements were approved by the Council on 28 September 2016.


Clare Meredith
Chairman

Company No: 1208092

Statement of cash flows
as at 31 March 2016

	Note	2016 £	2015 £
Net income/(expenditure) for the reporting period as per the statement of financial activities		13,635	(57,066)
Decrease in debtors		254	5,351
(Increase)/decrease in creditors		(14,187)	14,732
Investment income		(17,149)	(19,759)
Investment (gains)/losses		(30,594)	(2,976)
Net cash inflow/(outflow) from operating activities		(48,041)	(59,718)
Investing activities:			
Payments to acquire investments		(45,201)	(127,533)
Proceeds for disposals on investments		80,274	102,295
Investment income		17,149	19,759
		52,222	(5,479)
(Decrease)/Increase in cash		4,181	(65,197)
Opening cash and cash equivalents		237,450	302,647
Closing cash and cash equivalents		241,631	237,450
Analysis of cash and cash equivalents			
Cash at bank		207,206	236,124
Cash held by the investment manager		34,425	1,326
Total cash and cash equivalents		241,631	237,450

Notes to the financial statements

1. Accounting policies

1.1 Accounting conventions

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP FRS102), applicable accounting standards and the Companies Act 2006. This is the first year in which the financial statements have been prepared under FRS 102. The adoption of FRS102 has resulted in no changes to the figures. The charity meets the definition of a public benefit entity under FRS102.

The charity has sufficient free reserves to continue in operation for a minimum of 12 months. Therefore the accounts have been prepared on a "going concern" basis.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.2 Incoming resources

Income from donations, bursaries and grant income are recognised where there is entitlement, reasonable probability of receipt and the amount can be measured with sufficient reliability, except as follows:

- When donors specify that donations, bursaries and capital income given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations, bursaries and grant income, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

1.3 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

1.4 Investments

Investments are stated at market value. Unrealised gains and losses on revaluation and realised gains and losses on sales of investments arising during the year are retained in the relevant fund.

1.5 Operating leases

Rentals paid under operating leases are charged to the income and expenditure account evenly over the period of the lease.

2 Taxation

The Company is recognised by HM Revenue and Customs as a charity for the purposes of the Corporation Tax Act 2010 part 11 and is exempt from income and corporation tax on its charitable activities.

Notes to the financial statements (continued)

3 Income from donations

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Bursary income	125,650	-	-	125,650	128,150
Grant income	22,500	-	-	22,500	6,000
	<u>148,150</u>	<u>-</u>	<u>-</u>	<u>148,150</u>	<u>134,150</u>
	=====	=====	=====	=====	=====

Details of the donors in the year are shown on page 9. For the year ended 31 July 2015 all income from donations was restricted.

4 Income from investments

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Income from listed investments	10,510	-	5,910	16,420	18,968
Bank interest	-	-	729	729	791
	<u>10,510</u>	<u>-</u>	<u>6,639</u>	<u>17,149</u>	<u>19,759</u>
	=====	=====	=====	=====	=====

For the year ended 31 July 2015 income from investments was split; £12,277 restricted and £7,482 unrestricted.

5 Expenditure on raising funds

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Investment manager's fees	255	-	-	255	5,627
	<u>255</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>5,627</u>
	=====	=====	=====	=====	=====

For the year ended 31 July 2015 all expenditure on raising funds was restricted.

6 Expenditure on charitable activities

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Bursaries	141,700	-	-	141,700	140,960
Grant awards	17,500	7,194	-	24,694	50,025
Support costs					
Employee salary	-	-	4,055	4,055	4,290
Consultant costs	-	-	4,835	4,835	5,238
Other costs	-	-	3,340	3,340	4,737
Governance costs					
Audit fee	-	-	3,319	3,319	3,014
Legal fee	-	-	60	60	60
	<u>159,200</u>	<u>7,194</u>	<u>15,609</u>	<u>182,003</u>	<u>208,324</u>
	=====	=====	=====	=====	=====

For the year ended 31 July 2015 expenditure on charitable activities was split £152,003 restricted, £38,569 designated and £17,752 unrestricted.

Notes to the financial statements (continued)

7 Key management remuneration and trustees' expenses

The charity has one employee (2015; one employee) who is considered key management of the organisation and their remuneration is as disclosed in note 6. No employee earned more than £60,000. There was no employer social security or pension costs in the year.

Three Trustees received reimbursement of travel expenses which combined totalled £383 (2015: £348 to one Trustee) during the year. No Trustee received any remuneration.

8 Investments

	2016 £	2015 £
Market value		
At 1 August 2015	625,181	596,967
Additions	45,201	127,533
Disposals	(80,274)	(102,295)
Revaluation in year	30,594	2,976
	<hr/>	<hr/>
At 31 July 2016	620,702	625,181
Cash deposits	34,425	1,326
	<hr/>	<hr/>
Total	655,127	626,507
	=====	=====
Historic cost at year end	548,756	551,733
	=====	=====

For the year ended 31 July 2015 all gains on investments related to restricted funds.

9 Debtors

	2016 £	2015 £
Other debtors	-	649
Accrued income	395	-
	<hr/>	<hr/>
	395	649
	=====	=====

10 Creditors: Amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	15,586	29,773
	=====	=====

11 Restricted funds

	At 1 August 2015 £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers between funds £	At 31 July 2016 £
Bursaries	85,626	136,160	(141,700)	-	-	80,086
Grants	-	22,500	(17,500)	-	-	5,000
Capital Endowment	526,507	-	(255)	30,594	-	556,846
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	612,133	158,660	(159,455)	30,594	-	641,932
	=====	=====	=====	=====	=====	=====

The Bursaries Fund represents specific grants and bursaries received for students.

Notes to the financial statements (continued)

11 Restricted funds (continued)

The Grants Fund represents specific grants and donations towards special projects, equipment or research.

The Capital Endowment Funds are made up of two funds, the income generated from one of the funds is used to support the Foundation's bursary funding. Income from the other fund is available for use at the trustees' discretion and included within unrestricted income. It was spent in the year to support bursary funding, other grants and general running costs of the charity.

12 Unrestricted funds

	At 1 August 2015 £	Incoming resources £	Outgoing resources £	Transfers between funds £	At 31 July 2016 £
General funds	69,975	6,639	(15,609)	-	61,005
Designated - Development fund	151,399	-	(7,194)	-	144,205
	=====	=====	=====	=====	=====

Development fund - designated for use in supporting the textile conservation education and research activities of the Centre for Textile Conservation.

13 Analysis of group net assets between funds

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total Funds £
Investments	555,127	100,000	-	655,127
Current assets	86,933	54,705	65,963	207,601
Creditors	(128)	(10,500)	(4,958)	(15,586)
	=====	=====	=====	=====
	641,932	144,205	61,005	847,142

14 Legal status of the charity

In the event of the charity being wound up, every member of the charity will contribute an amount not exceeding £1 so as to meet any excess liabilities of the charity.

15 Related party transactions

There were no related party transactions

16 Ultimate controlling party

The Trustees consider there to be no ultimate controlling party.