

**The Textile Conservation Foundation**  
**Trustees' Report and unaudited Financial Statements**  
**for the year ended 31 July 2018**

**Company Registration No: 01208092 (England and Wales)**  
**Registered Charity No: 269430**  
**Registered Scottish Charity No: SC044036**



## Contents

	Page
Company information	1
Chairman's report	2
Trustees' annual report	6
Donor List	11
Independent Examiner's report to the Trustees of The Textile Conservation Foundation	12
Statement of financial activities (incorporating income and expenditure accounts)	13
Balance sheet	14
Statement of cash flows	15
Notes	16

## Company information

<b>President:</b>	The Duke of Wellington OBE DL GE
<b>Vice President:</b>	Lucinda Chetwode
<b>Trustees:</b>	Clare Meredith, Chairman Shona Malcolm, Honorary Treasurer Katie Antonio (appointed 27 September 2017) Dr Mary M Brooks Ian Gow Caroline Lorimer Professor Nick Pearce
<b>Secretary:</b>	Clare Daly
<b>Independent Examiner:</b>	Andrew Niblock Henderson Loggie 11-15 Thistle Street Edinburgh EH2 1DF
<b>Bankers:</b>	CAF Bank 58 Kings Hill Avenue King's Hill West Malling Kent ME19 4JQ
<b>Investment Managers:</b>	Rathbones 1 Curzon St London W1J 5FB
<b>Registered Office:</b>	The Trust Partnership 6 Trull Farm Buildings Tetbury Gloucestershire GL8 8SQ
<b>Scottish Charity registration number:</b>	SC044036
<b>Charity registration number:</b>	269430
<b>Company registration number:</b>	01208092

## **Chairman's report** *for the year ended 31 July 2018*

### **Dr Karen Finch OBE, 8th May 1921 – 15th April 2018**

Very sadly, Karen Finch OBE, founder of the Textile Conservation Centre died in April 2018.

In the early years, Karen trained students from around the world at her Ealing home but then went on in 1975 to found the Textile Conservation Centre (TCC) in Grace and Favour apartments at Hampton Court Palace. There she established the 3-year postgraduate Diploma in Textile Conservation, validated by the Courtauld Institute of Art, a landmark in the training of textile conservators.

The TCC became part of the University of Southampton in 1999, and the new MA Textile Conservation was established as successor to the PG Diploma. Following its closure by the University in 2009, the textile conservation programme, now an MPhil, was incorporated into the new *Centre for Textile Conservation and Technical Art History*, as part of the University of Glasgow in 2010. Although the textile conservation programme has continuously developed for more than 40 years, elements remain recognisable from those early days under Karen's direction.

Teaching was always Karen's prime motivation and, even after retirement, she maintained her passion for textiles and their conservation and kept in touch with her wide network of friends, colleagues and former students around the world.

Karen's huge achievements in the field were recognised by the award of an OBE and trustees of the Foundation were delighted when, having nominated Karen, she was awarded a *Balfour of Burleigh Tercentary Prize for Exceptional Achievement* in 2015. Obituaries in the Times and Guardian, as well as Radio 4's 'Last Word', vividly captured the achievements, voice and sheer drive of this one-woman powerhouse.

In 2015 the Foundation established the *Karen Finch Prize*, offered each year by the Textile Conservation Foundation to an outstanding final year student. Karen delighted in meeting the students awarded the Prize and congratulating them on their success, including Fiona Wain, who was awarded the first ever Prize in 2015.

The Prize continues to celebrate students' success and in 2017/18 the Prize was awarded jointly to two students, Laura Garcia Vedrenne, from Mexico and Megan Creamer from the USA, both of whom were able to study at the Centre thanks to funding from the Foundation. Karen always took enormous pride, interest and pleasure in all generations of former TCC or CTC students and it was a particular privilege to act this year as the link, for Laura and Megan, to the distinguished woman in whose name this Prize is given.



*Left: Karen with Fiona Wain in 2015.*

*Right: Clare Meredith TCF Chairman, with Laura Garcia Vedrenne and Megan Creamer in 2018.*

## Chairman's report *(continued)* for the year ended 31 July 2018

### The Centre for Textile Conservation

We would like to congratulate Karen Thompson, who was appointed Course Leader of the MPhil Textile Conservation during the year. Having worked with Karen over many years we are enjoying her increased involvement in the work of the Foundation, particularly as it relates to our support for students on the programme. Karen's appointment to this role enables Professor Frances Lennard, Director of the Centre, to focus more time on two major research projects that she is leading.<sup>1</sup>

Excellence continues to be the hallmark of the MPhil Textile Conservation, achieved and maintained by exceptional teaching and the extent of students' practical treatments on historic artefacts. Students are taught individually as well as in small groups and are, by necessity, closely supervised. This tutor/student ratio, together with the provision of analytical laboratories and extensive equipment, results however in high tuition fees.

The Foundation's role in raising funds for MPhil Textile Conservation bursaries is as vital as ever and, with our help, the best students can take up their places on the programme regardless of financial means. For the academic year 2017/18, the TCF awarded bursaries to 12 students from six countries (UK, Mexico, Austria, USA, Canada and New Zealand) thanks to the generosity of our many funders (listed on page 11), to whom we offer our renewed thanks.

In addition to our own Karen Finch Prize, we are fortunate that the Worshipful Company of Woolmen awards one of its prestigious Silver Medals to a final year student to mark their high achievement. This year the Silver Medal was won by Rebecca Doonan, to whom we give our warmest congratulations.



We TCF Trustees are passionate in our support for the Centre and continue to be deeply impressed by the progress students make from their first weeks on the course to their graduation two years later. The Centre's annual Open Day gives students an opportunity to showcase their work to professional colleagues, friends and funders and, in March 2018, the students' displays and presentations were enormously impressive.

The development of every cohort is remarkable and it is such a pleasure to watch each student's growing confidence as an emerging conservation professional, and to learn of progress as former students' careers develop.

*Left: Staphany Cheng explains her project to an absorbed Open Day visitor. ©University of Glasgow*

Last year we reported on the development of the MSc Modern Material Artefacts, led by Dr Anita Quye. The exhaustive scoping study, that reviewed the need for the programme and researched models for its delivery, was funded by the Textile Conservation Foundation and undertaken by Fiona Macalister ACR. During the year the new programme was validated by the University and, during this process, the quality of the research on which it was founded was praised. Validation came rather late in the cycle of recruitment for a 2018 intake, so the programme will welcome its first students in 2019. We are most grateful to The Clothworkers' Foundation for generously awarding a grant to provide an inaugural bursary fund for the first students on this ground-breaking programme. I look forward to reporting on preparations for the first intake in our next annual report.

---

<sup>1</sup> *From the Golden Age to the Digital Age: Monitoring Historic Tapestries*, is a three-year research project primarily funded by the Leverhulme Trust, investigating whether proven engineering monitoring techniques can inform us about the effect on tapestries of different conservation and display techniques. Partners for this project are Historic Environment Scotland, Glasgow Museums and the University of Glasgow's Engineering Department.

*Situating Pacific Barkcloth in time and place*, funded by the AHRC, is a three-year research project that aims to transform our understanding of Pacific barkcloth manufacture. Project partners are the Hunterian, University of Glasgow; Economic Botany Collection, Kew Gardens and the National Museum of Natural History, Smithsonian Institution.

**Chairman's report** *(continued)*  
**for the year ended 31 July 2018**

**Research**

Among the research projects underway at the Centre is the Leverhulme Trust-funded *From the Golden Age to the Digital Age: Monitoring Historic Tapestries*. During the year the PhD student working on this research project secured a job at the Bowes Museum and, in order to ensure a full three-year studentship could be advertised, the Foundation was pleased to be able to augment the available funding, thanks to the generous support of an external funder.

Rosa Constantini began her PhD research in December on monitoring and modelling historic tapestries to inform their conservation and display. Rosa is currently focussing on the evaluation of the effects of display methods, such as display on sloping boards (an early pilot project was supported by the Foundation in 2013); the monitoring of modern tapestries (Stirling Castle) that will help inform the behaviour of historic tapestries, and the evaluation of different conservation techniques on historic tapestries. Among many other outcomes, this project will inform the redisplay of tapestries at The Burrell Collection, following completion of its current major refurbishment.

**Our funders and supporters**

I would like to offer our sincere thanks to the very many trusts, foundations and livery companies that so generously support us with grants for student bursaries, equipment and special projects. It would, quite simply, not be possible for any of the students who receive bursary support to take up their places without it. The words of one current student, who is about to graduate and begin her career, are typical: "I could not have taken up my place on the course without [the TC Foundation's] support, and I am unendingly grateful to you for your help."

The support of our funders over the past four decades has enabled many hundreds of individuals to pursue careers as textile conservators and curators. The contribution that these professionals make to the heritage of the 41 countries in which they now work is inspiring, and incalculable.

**Our Trustees**

Finally, I would like to thank my fellow Trustees for their thoughtful contributions and lively debate during the year, and for their commitment to the Foundation and its objectives. I would like to extend a particular welcome to Katie Antonio, who joined the Trustee board at the beginning of the year. Special thanks too to Shona Malcolm, for the exceptional contribution she continues to make as the Foundation's Honorary Treasurer and to Clare Daly, for her continuing support and expertise as the Foundation's Secretary. Finally, my heartfelt thanks to Nell Hoare, Consultant to the Foundation, for all she brings to our collective endeavours.

  
Clare Meredith ACR

Chairman

26 September 2018



*MPhil Textile Conservation graduates, December 2017*

*Each of these students was supported with bursary funding from the Textile Conservation Foundation;  
they are now working in London, Glasgow, Norfolk, Dublin and the USA.*

*©University of Glasgow.*

## **Trustees' annual report** *for the year ended 31 July 2018*

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31<sup>st</sup> July 2018. 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 1 forms part of this report.

### **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 17<sup>th</sup> April 1975. The Trustees of the charitable company during the year were:

Mrs Clare Meredith, Chairman  
Mrs Shona Malcolm, Treasurer  
Mrs Katie Antonio  
Dr Mary Brooks  
Mr Ian Gow  
Mrs Caroline Lorimer  
Professor Nicholas Pearce

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 Board of Trustees (also known as Council).

New Trustees are given an induction on the current work and future plans of the Foundation and of the Centre for Textile Conservation and Technical Art History. New Trustees are also briefed on the Memorandum and Articles of Association, Trustees' legal obligations under charity and company law, the decision-making process and the Foundation's financial performance. Trustees meet not less than twice yearly and the training needs of all trustees is regularly reviewed.

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 the University of Glasgow.

### **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:

- Failure to raise sufficient funds to cover the running costs of the Textile Conservation Foundation.  
*Medium risk, high impact*
- Changes in the higher education environment in Scotland, particularly funding, in the coming year.  
*Medium risk, medium impact*
- Brexit impacting on the number of European students applying to study at the Centre.  
*Medium risk, medium to high impact*



**Trustees' annual report** *(continued)*  
**for the year ended 31 July 2018**

**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 Centre.  
*Low risk, medium impact on the charity, high impact on the Centre*
- A further independence referendum resulting in a vote for independence, which would affect the ability of the Foundation to raise funds from grant funders based in England.  
*Low risk, high impact*

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

In addition the Trustees completed a skills audit to ensure that the Board has access to appropriate skills, expertise and experience, this audit is periodically updated and informs all trustee selection.

A framework for the period 2016-2020, agreed by Trustees in 2015/16, continues to guide the work of the Foundation.

**Objectives and activities**

The objects of the charity are:

- (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 organisation 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.

## **Trustees' annual report** *(continued)* **for the year ended 31 July 2018**

### **Achievement and performance**

The above strategies were employed successfully during the year.

The Foundation uses the income from its Endowment Fund (a 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 that have generously supported the Foundation and the Centre during the year.

### **Financial review**

The results for the year are shown on pages 13 to 20. The Foundation made a deficit for the year before investment gains of £22,809 (2017: surplus of £5,130). Net investment gains of £42,145 (2017: £54,192) resulted in an increase in reserves of £19,336 (2017: £59,322) bringing the total reserves at 31 July to £925,800 (2017: £906,464).

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 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. It has been formulated with a view to ensuring that the asset management functions will 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 Textile Conservation Foundation 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.

### **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;

**Trustees' annual report** *(continued)*  
**for the year ended 31 July 2018**

**Plans for future periods** *(continued)*

- to continue to raise funds to support education and research in textile conservation and related fields at the Centre for Textile Conservation;
- as necessary, to appoint new trustees to fill vacancies and to cover skill shortages identified in the Trustees' Skills Audit.

**Reserves policy and going concern**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned expenditure. The Board is satisfied that the current level of reserves is adequate and as such is satisfied that the charity is a going concern.

**Related parties**

None of the Board receives remuneration from their work for the charity. Any conflict of interests or related party interests must be disclosed to the full Board. In the current year no such conflicts of interest were reported.

The charity has a close relationship with Glasgow University as its primary purpose is to support students and research work at the Centre for Textile Conservation at the University.

**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 charitable company's Independent Examiners 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 Independent Examiners are aware of that information.

**Trustees' annual report** *(continued)*  
**for the year ended 31 July 2018**

**Independent examiners**

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

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

26 September 2018

## **Donor List**

**for the year ended 31 July 2018**

The Trustees of the Textile Conservation Foundation are indebted to all those who support the Foundation's activities, particularly the following trusts and foundations that generously provided financial support for bursaries, equipment and other projects during the year. In some cases the funds were received in the previous financial year but were used to benefit students in 2017-18 so are included here.

H B Allen Charitable Trust  
The Arts Society (formerly NADFAS)  
Lord Barnby's Foundation  
The Binks Trust  
The Clothworkers' Foundation  
Coats Foundation Trust  
Elizabeth Frankland Moore and Star Foundation  
Ernest Cook Trust  
The Drapers' Company  
The Dulverton Trust  
Walter Guinness Charitable Trust  
The Golsoncott Foundation  
M V Hillhouse Trust  
Anna Plowden Trust  
Radcliffe Trust  
Scouloudi Foundation  
South Square Trust  
Stockman Family Foundation\*  
Thriplow Charitable Trust  
Barbara Whatmore Trust

*\* Paid directly to the University of Glasgow via the American Alumni for Glasgow University (AAGU), so is not included in the financial accounts that follow.*

## **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 2018 which are set out on pages 13 to 20.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the trustees, as a body, for my work or for this report.

### **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 which 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, 11-15 Thistle Street, Edinburgh EH2 1DF

26 September 2018

**Statement of financial activities**  
*for the year ended 31 July 2018*

	Notes	Restricted Funds 2018 £	Designated Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
<b>Income from:</b>						
Donations	3	70,110	-	4,550	74,660	145,392
Investments	4	13,216	-	7,285	20,501	20,758
<b>Total income</b>		<b>83,326</b>	<b>-</b>	<b>11,835</b>	<b>95,161</b>	<b>166,150</b>
<b>Expenditure on:</b>						
Raising funds	5	(6,009)	-	-	(6,009)	(6,151)
Charitable activities	6	(92,940)	(4,435)	(14,586)	(111,961)	(154,869)
<b>Total expenditure</b>		<b>(98,949)</b>	<b>(4,435)</b>	<b>(14,586)</b>	<b>(117,970)</b>	<b>(161,020)</b>
Net gains on investments	8	42,145	-	-	42,145	54,192
<b>Net income/(expenditure)</b>		<b>26,522</b>	<b>(4,435)</b>	<b>(2,751)</b>	<b>19,336</b>	<b>59,322</b>
Transfers between funds		(500)	-	500	-	-
Funds brought forward		699,412	150,692	56,360	906,464	847,142
<b>Funds carried forward</b>		<b>725,434</b>	<b>146,257</b>	<b>54,109</b>	<b>925,800</b>	<b>906,464</b>

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 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Investments	8		739,798		703,539
<b>Current assets</b>					
Cash at bank and in hand		190,555		207,401	
<b>Creditors: amounts falling due within one year</b>	9	(4,553)		(4,476)	
<b>Net current assets</b>			186,002		202,925
<b>Total net assets</b>			925,800		906,464
<b>Funds</b>					
Restricted funds - General			532,800		548,673
Revaluation reserve			192,884		150,739
	10		725,434		699,412
Designated funds	11		146,257		150,692
Unrestricted funds	11		54,109		56,360
			925,800		906,464

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 26 September 2018.



**Clare Meredith**  
Chairman

**Company No: 01208092**



**Statement of cash flows**  
*for the year ended 31 July 2018*

	2018 £	2017 £
<b>Net income for the reporting period as per the statement of financial activities</b>	<b>19,336</b>	<b>59,322</b>
Decrease in debtors	-	395
Increase/(decrease) in creditors	77	(11,110)
Investment income	(19,854)	(20,758)
Investment gains	(42,145)	(54,192)
<b>Net cash outflow from operating activities</b>	<b>(42,586)</b>	<b>(26,343)</b>
<b>Investing activities:</b>		
Payments to acquire investments	(185,882)	(179,076)
Proceeds for disposals on investments	190,605	168,495
Investment income	19,854	20,758
<b>Net cash inflow from investing activities</b>	<b>24,577</b>	<b>10,177</b>
<b>Decrease in cash</b>	<b>(18,009)</b>	<b>(16,166)</b>
<b>Opening cash and cash equivalents</b>	<b>225,465</b>	<b>241,631</b>
<b>Closing cash and cash equivalents</b>	<b>207,456</b>	<b>225,465</b>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank	190,555	207,401
Cash held by the investment manager	16,901	18,064
<b>Total cash and cash equivalents</b>	<b>207,456</b>	<b>225,465</b>

## 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. 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 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees 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.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the charitable company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

## Notes to the financial statements (continued)

### 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.

### 3 Income from donations

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2018 £	Total 2017 £
Bursary income	70,110	-	-	70,110	137,650
Grant income	-	-	-	-	4,752
Donations	-	-	4,550	4,550	2,990
	<u>70,110</u>	<u>-</u>	<u>4,550</u>	<u>74,660</u>	<u>145,392</u>

Details of the donors in the year are shown on page 11. For the year ended 31 July 2017 £142,402 of income was restricted and £2,990 was unrestricted.

### 4 Income from investments

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2018 £	Total 2017 £
Income from listed investments	13,216	-	6,638	19,854	20,057
Bank interest	-	-	647	647	701
	<u>13,216</u>	<u>-</u>	<u>7,285</u>	<u>20,501</u>	<u>20,758</u>

For the year ended 31 July 2017 income from investments was split; £13,214 restricted and £7,544 unrestricted.

### 5 Expenditure on raising funds

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2018 £	Total 2017 £
Investment manager's fees	6,009	-	-	6,009	6,151

For the year ended 31 July 2017 all expenditure on raising funds was restricted.

### 6 Expenditure on charitable activities

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total 2018 £	Total 2017 £
Bursaries	91,384	-	-	91,384	137,981
Grant awards	1,556	4,435	-	5,991	1,709
Support costs:					
Employee salary	-	-	4,631	4,631	4,300
Consultant costs	-	-	3,254	3,254	4,088
Other costs	-	-	3,611	3,611	3,732
Governance costs:					
Independent examiner's fee	-	-	3,090	3,090	3,059
	<u>92,940</u>	<u>4,435</u>	<u>14,586</u>	<u>111,961</u>	<u>154,869</u>

For the year ended 31 July 2017 expenditure on charitable activities was split £146,177 restricted, (£6,487) designated and £15,179 unrestricted.

## Notes to the financial statements (continued)

### 7 Key management remuneration and trustees' expenses

The charity has one part-time employee (2017: one part-time 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.

No Trustees received reimbursement of travel expenses during the year (2017: £367 to two Trustees). No Trustee received any remuneration.

### 8 Investments

	2018 £	2017 £
<b>Market value</b>		
At 1 August 2017	685,475	620,702
Additions at cost	185,882	179,076
Disposal proceeds	(190,605)	(168,495)
Revaluation in year	42,145	54,192
	<hr/>	<hr/>
At 31 July 2018	722,897	685,475
Cash deposits	16,901	18,064
	<hr/>	<hr/>
Total	739,798	703,539
	<hr/>	<hr/>
<b>Historic cost at year end</b>	569,561	552,800
	<hr/>	<hr/>

For the years ended 31 July 2018 and 31 July 2017 all gains on investments related to restricted funds.

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk: this comprises currency risk, interest rate risk and other price risk.
- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The charitable company has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the charitable company's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the charitable company's investment managers and monitored by the Trustees by regular reviews of the investment portfolios.

Further information on the Trustees' approach to risk management and the charitable company's exposure to credit and market risks are set out below.

## Notes to the financial statements (continued)

### 8 Investments (continued)

#### Credit Risk

The charitable company invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

#### Analysis of direct credit risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. Pooled investment arrangements used by the charitable company comprise authorised unit trusts.

#### Currency risk

The charitable company is subject to currency risk because some of the charitable company's investments are held in overseas markets.

#### Interest rate risk

The charitable company is subject to interest rate risk through investments comprising bonds.

#### Other price risk

Other price risk arises principally in relation to equities held in pooled vehicles. The charitable company manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

### 9 Creditors: Amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	4,553	4,476

### 10 Restricted funds

	At 1 August 2017 £	Incoming resources £	Outgoing resources £	Investment gains £	Transfers between funds £	At 31 July 2018 £
Bursaries	92,969	83,326	(91,384)	-	(500)	84,411
Grants	1,556	-	(1,556)	-	-	-
Capital Endowment	604,887	-	(6,009)	42,145	-	641,023
	699,412	83,326	(98,949)	42,145	(500)	725,434

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

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.

A transfer has been made from the Bursaries restricted fund of £500 which represents 5% of the £10,000 Dulverton bursary received in 2017. It was agreed that 5% of the award could be used towards the running costs of the charity.

## Notes to the financial statements (continued)

### 11 Unrestricted funds

	At 1 August 2017 £	Incoming Resources £	Outgoing Resources £	Investment gains £	Transfers between funds £	At 31 July 2018 £
General funds	56,360	11,835	(14,586)	-	500	54,109
Designated - Development fund	150,692	-	(4,435)	-	-	146,257

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

### 12 Analysis of group net assets between funds

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total Funds £
Investments	639,798	100,000	-	739,798
Current assets	85,924	46,257	58,374	190,555
Creditors	(288)	-	(4,265)	(4,553)
	725,434	146,257	54,109	925,800

### 13 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Financial assets measured at fair value through profit and loss	739,798	703,539
<b>Carrying amount of financial liabilities</b>		
Financial liabilities measured at amortised cost	(4,553)	(4,476)
	735,245	699,063

Financial assets measured at fair value are listed investments.

Financial liabilities measured at amortised cost are accruals.

### 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.