

COMPANY REGISTRATION NUMBER : 00335344
CHARITY REGISTRATION NUMBER: 227151

NEWBY TRUST LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
5 APRIL 2016

NEWBY TRUST LIMITED
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NEWBY TRUST LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS

Mrs A S Reed
Mrs S A Charlton
Mrs A L Foxell
Mr R B Gooder
Mrs E Bentley
Mr N Callaghan
Mr D Charlton
Mr D Reed
Dr S J Gooder (appointed 7 November 2015)

COMPANY SECRETARY

Miss A Grout

COMPANY REGISTRATION NUMBER

00335344

REGISTERED CHARITY NUMBER

227151

CHARITY REGISTERED OFFICE

Hill Farm, Froxfield, Petersfield, Hampshire GU32 1BQ

AUDITORS

Begbies, 9 Bonhill Street, London, EC2A 4DJ

BANKERS

Adam & Company plc, 22 King Street, London SW1Y 6QY

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

SOLICITORS

Gregory Rowcliffe Milners (GRM Law), 1 Bedford Row, London WC1R 4BZ

INVESTMENT MANAGERS

Rathbone Investment Management Limited, 1 Curzon Street, London W1J 5FB

ACCOUNTANTS

Shipleys LLP, 10 Orange Street, Haymarket, London WC2H 7DQ

NEWBY TRUST LIMITED

DIRECTORS' REPORT

The directors submit their annual report and audited financial statements for the year ended 5 April 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Newby Trust was established in December 1937 by Mr H.N. Smith who at that time lived in Newby, North Yorkshire. Newby Trust Limited ("the company") was registered as a company limited by guarantee in January 1938 and as a charity in May 1964. The company is governed by its Articles of Association.

DIRECTORS AND TRUSTEES

The directors of the company are its trustees for the purpose of charity law. The current directors are all descendants or spouses of descendants of the founder and it is likely that new directors will be recruited from within the family for the foreseeable future. There are three branches of the family descended from the founder's grandchildren and the directors aim to maintain a balance between experienced and new directors and between the family branches. The directors would be willing to recruit external directors if they considered that the company would benefit from specialist knowledge.

The more senior members of the board and the company secretary deliver induction training for new directors which includes providing information about the company and its objectives together with summaries of the responsibilities of company directors and trustees. The directors receive updates on current regulatory requirements from the company secretary and may attend external training courses as necessary.

As set out in the Articles of Association, the members of the company at the annual general meeting may increase or reduce the number of directors. The board may appoint a director to fill a casual vacancy and may also appoint an additional director, who shall retire from office at the following annual general meeting, but be eligible for re-election. One third of the board retires by rotation each year and is eligible for re-election.

MANAGEMENT

The directors meet twice each year to approve grants, review objectives and manage the business of the company. The day-to-day running of the company is delegated to the company secretary who is responsible for receiving and dealing with grant applications and with initiating all payments. The directors have also delegated primary responsibility for the small grant programme to the company secretary. The company secretary reports to the directors regularly between directors' meetings.

The directors manage the company with minimal administrative expenditure and receive no salary or expenses. The company operates from an office rented from one of the directors, Mrs A S Reed, for which a small charge for rent and electricity costs is made (see note 3 to the financial statements).

NEWBY TRUST LIMITED

DIRECTORS' REPORT - CONTINUED

RISK MANAGEMENT

The directors have considered the major risks to which the company is exposed and have established systems and procedures to manage the risks.

The company's grants are made from the income from the expendable endowment fund. The directors aim to maximise the return on the company's portfolio and believe the major risk facing the company remains a significant fall in the UK stock market. To mitigate this risk, the directors keep the investment policy of the company under review and regularly monitor the performance of the portfolio.

The directors are aware that having a sole member of staff in charge of payments does constitute a risk. However, all payments require two signatures and the directors and accountants monitor internal financial controls. In relation to grants for individuals, there is an inherent risk of knowing too little of an applicant and of giving help to individuals who prove to be less worthy. The company requires financial information for all applications and does not make payments to individuals but to organisations on their behalf.

PUBLIC BENEFIT

The directors have had regard to the Charity Commission's guidance on public benefit and are satisfied that the company meets the public benefit requirement.

OBJECTIVES AND ACTIVITIES

OBJECTIVES

The charitable objects of the company as stated in the constitutional documents are: "to promote all or any purposes which now are or hereafter may be deemed by law to be charitable and in particular, the advancement of education, the furtherance of health and the relief of poverty, distress and sickness".

The principal focus of the company's grant-giving has been on education, training and research and medical welfare and the company also makes small social welfare grants.

The directors review the objectives of the company annually. The current objectives are as follows:

Strategic Aims

- | | |
|---------------|---|
| 1. Education: | To enable people to benefit from educational opportunities and to support excellence at post-graduate level |
| 2. Health: | To advance medical knowledge and improve the provision of health care |
| 3. Welfare: | To support disadvantaged people |
| 4. Company: | To strengthen family engagement in the company |
| 5. Financial: | To maintain and increase the endowment |

Objectives

1. Education:
 - 1.1. to fund postgraduate research
 - 1.2. to provide financial support to enable disadvantaged people to access and stay in education and training

NEWBY TRUST LIMITED

DIRECTORS' REPORT - CONTINUED

OBJECTIVES (continued)

2. Health:
 - 2.1. to fund equipment and activities in hospitals, residential and nursing homes, day care centres and hospices
 - 2.2. to fund support services to improve the mental and physical health of adults and children
 - 2.3. to contribute funds towards medical research
3. Welfare:
 - 3.1. to provide small grants for short-term emergency relief
 - 3.2. to fund support and activities for vulnerable and disadvantaged people
4. Company:
 - 4.1. to identify areas of interest for family members
 - 4.2. to encourage younger members to become involved in the company
5. Financial:
 - 5.1. to adopt investment strategies to maintain the endowment and achieve a stable income
 - 5.2. to generate income of at least £300,000 a year for expenditure on grants
 - 5.3. to maintain administrative costs at no more than 10% of grants and income generation costs at no more than 17.5% of annual income
 - 5.4. to monitor investment management costs.

The directors reviewed the administrative and income generation costs and were satisfied that the company is meeting its financial objectives in these areas.

The company has a Special Category for grants each year. This category is selected by the directors each year under one of the main headings of education, health and welfare and provides a focus for grant-giving in that year.

The directors will consider making grants to other good causes and charities which fall outside the three main categories if company members propose suitable organisations for support.

ACTIVITIES

1. Education

The company promotes education by providing grants:

1.1. To fund postgraduate research.

In this category, the directors approved further grants of £30,000 to Durham University to fund two PhD students in the School of Modern Languages and Culture and £30,000 to Lancaster University to fund a Newby Fellowship in the Faculty of Arts and Social Sciences to work on a corpus analysis in the field of poverty and the relief of the poor.

1.2. To provide financial support to enable disadvantaged people to access and stay in education and training. Education and training is widely defined to include academic, arts, craft or sporting activities. These are often associated with the annual special category.

In this category, the directors approved a grant of £8,400 (payable over two years) to the International Boatbuilding Training College and grants of £5,000 for Winchester College and £3,000 to the White City Theatre Company.

NEWBY TRUST LIMITED
DIRECTORS' REPORT - CONTINUED

ACTIVITIES (continued)

2. Health

The company promotes health by providing grants:

- 2.1. for equipment and activities in hospitals, residential and nursing homes, day care centres and hospices
- 2.2. to fund support services to improve the mental and physical health of adults and children
- 2.3. to contribute funds towards medical research

The directors approved grants of, £13,000 for Street Doctors, £5,000 for Freedom from Torture, £5,000 for Hope for Tomorrow, £5,000 for Doctors of the World Refugee Appeal, £5,000 for Sebastian's Action Trust and £1,000 for Hope in the Valley Riding for the Disabled.

3. Welfare

The company makes grants:

- 3.1. to provide small grants for short-term emergency relief
- 3.2. to fund support and activities for vulnerable and disadvantaged people

The directors approved a sum of up to £50,000 to be distributed as small grants for the benefit of individuals for essential home equipment, clothing, school uniforms, course fees and other items. 251 grants totalling £46,686 were made to support individuals. In relation to support for vulnerable and disadvantaged people, the directors approved grants of £20,000 (payable over two years) for The Bridge Foundation, £5,000 for St Giles Trust, £3,000 for Fine Cell Work, £3,000 for Prospex, £1,500 for Petersfield Museum Payback Scheme plus one annual grant from the restricted fund estimated at £16,000.

In addition, the special category for 2015-2016 related to the social welfare category. See below.

4. Annual Special Category

Under the general headings above, the directors have a policy of selecting one category for special support each year and in 2015/16 the special category under the health heading was:

to fund local charities supporting homeless people with education, employment, tenancy support and other services aimed at helping people back into mainstream society.

£106,500 was spent on the special category and grants were made to:

999 Club	£5,000
Booth Centre	£5,000
Calderdale Smartmove	£8,000
Cathedral Archer Project	£8,000
Cirencester Housing for Young People	£5,000
Doorway	£8,000
Elmbridge Rentstart	£8,000
Exaireo Trust	£8,000

NEWBY TRUST LIMITED
DIRECTORS' REPORT - CONTINUED

4. Annual Special Category (continued)

Hope Housing	£6,500
Nightsafe	£8,000
Notting Hill Churches 240 Project	£5,000
St. Petrock's Exeter	£8,000
The Running Charity	£8,000 over 2 years
Trinity Winchester	£8,000
Wintercomfort for the Homeless	£8,000

In 2016/17 the special category will come under the Health heading and will be

Smaller charities providing counselling, support and vocational opportunities for people with mental health issues.

GRANT PROCESSES

Grants to Charities

The company does not accept unsolicited applications in any of the categories and only charities that are invited to apply may submit applications. Full information is provided on the company's website. The company makes grants across the United Kingdom although the majority of larger grants are made in England. Due to the difficulties of verifying overseas organisations and monitoring grant expenditure, the grant programme is normally limited to UK charities.

Grants for Individuals

Eligible organisations such as social or probation services, charities or housing associations may apply on behalf of individuals and payments are made to the applicant organisation or to a supplier. No applications are accepted from individuals themselves and no payments are made direct to individuals. Every application must be accompanied by a financial statement showing the individual's income and expenditure and an explanation of why the funds are required.

The company is one of the few organisations that does not place restrictions on eligible applicants for small grants. The company therefore makes grants for young people, families, single parents, older people, those with disabilities, ex-offenders and those in recovery from substance abuse. In most cases the person suffers from an added disadvantage over and above financial need.

ACHIEVEMENTS AND PERFORMANCE

The directors aim to generate income of at least £300,000 for expenditure on grants. In 2015/16 a total of £311,684 was approved for grants in the year. £76,400 was awarded for education, £201,284 was awarded in the welfare category including £106,500 in the special category and £34,000 was spent on health.

The company continues to be heavily oversubscribed for its funds.

NEWBY TRUST LIMITED

DIRECTORS' REPORT - CONTINUED

Future Plans

The company intends to continue its grant making activities in the three main categories of education, health and welfare together with a special category each year as well as encouraging company members to identify other areas of interest. The directors reviewed the educational objectives in March 2016 and following presentation to the members of the company in November 2016 it is likely that the focus of the company's educational grant-making will shift from postgraduate education and that new educational objectives will be adopted at the directors' meeting in March 2017

FINANCIAL REVIEW

Financial Review

Full details of the company's financial position can be found in the financial statements. The sole funding source of the company is investment income.

The directors have agreed that the funds available for grants in each financial year will be the amount of the previous year's surplus of unrestricted income over expenses as shown in the previous year's accounts. For the year ending 5 April 2016, the Directors met their grant making objective by making unrestricted fund grants of £294,996 against a target of £299,424, being the unrestricted fund balance at 5 April 2015.

The unrestricted fund income for the year ended 5 April 2016 was £441,741 and the expenses totalled £72,453 (£37,492 investment management fees, £21,197 salary, rent, depreciation and general expenses and £13,764 audit and accountancy fees). The unrestricted fund balance (after including the brought forward balance of £299,424, grants paid of £294,996 and a transfer out of £5,328) at the end of the year was £368,388. Under the grant making policy noted above, the amount available for making grants from the unrestricted fund in the year ended 5 April 2017 will be £360,000.

Investment Performance

The company's principal investments are in stocks, bonds and listed securities.

The company's investment policy was reviewed on the appointment of Rathbone Investment Management Limited as investment managers, and the directors have given them discretion to manage the portfolio within the agreed risk profile. The investment objective is to achieve a balance of capital growth and income generation from a portfolio of investments with an overall medium risk profile and a spread of asset classes.

The benchmark for performance measurement is the FTSE/WMA Balanced Index. Portfolio movement for the year was -2.89% against the benchmark of -1.60%.

Reserves

The reserves policy is reviewed by the directors on an annual basis.

The expendable endowment fund is available for release into the unrestricted fund at any time, although the directors have taken the view that, unless there are exceptional circumstances, the endowment fund should be retained intact to produce income for the unrestricted fund for many years to come.

The company has free reserves, comprising the net assets of the unrestricted fund, of £368,388. It is the policy of the company to keep reserves sufficient to meet expenditure on charitable activities for at least twelve months and accordingly the directors aim to have free reserves of £400,000. Grant expenditure will be kept under review to ensure it is less than anticipated investment income.

NEWBY TRUST LIMITED
DIRECTORS' REPORT - CONTINUED

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The directors (who are also trustees of Newby Trust Ltd for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 financial statements 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 directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the directors 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NEWBY TRUST LIMITED
DIRECTORS' REPORT - CONTINUED


AUDITORS

A resolution will be proposed at the annual general meeting that Begbies be re-appointed as auditors to the company for the ensuing year.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the board



.....
Mrs A L Foxell
Director

Approved by the Directors on 29th October 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWBY TRUST LIMITED

We have audited the financial statements of Newby Trust Limited for the year ended 5 April 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2016 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NEWBY TRUST LIMITED**

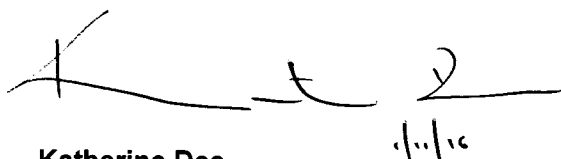
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (which incorporates the strategic report and directors' report required by company law) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept or returns inadequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations required for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exception in preparing the trustees report.

A handwritten signature in black ink, appearing to be 'Katherine Dee', with a date '11/11' written below it.

**Katherine Dee
Senior Statutory Auditor**

**For and on behalf of Begbies
Chartered Accountants
& Statutory Auditors**

9 Bonhill Street
London
EC2A 4DJ

NEWBY TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 5 APRIL 2016

	Notes	Restricted Funds £	Unrestricted Fund £	Endowment Fund £	Total 2016 £	Total 2015 £
TOTAL INCOME						
Investment income	4	13,200	441,741	-	454,941	509,655
EXPENDITURE						
Cost of raising funds:						
Investment management costs	6	-	37,492	36,741	74,233	79,014
Charitable activities:	7					
Education		-	85,600	-	85,600	1,237,712
Health		-	38,048	-	38,048	151,953
Welfare		18,528	206,309	-	224,837	89,809
Cost of grant making		18,528	329,957	-	348,485	1,479,474
TOTAL EXPENDITURE		18,528	367,449	36,741	422,718	1,558,488
Net income / (expenditure) for the Year before gains and losses on Investments		(5,328)	74,292	(36,741)	32,223	(1,048,833)
Net gains/ (losses) on investment assets	12	-	-	(921,711)	(921,711)	1,168,166
Net income / (expenditure) Before transfers		(5,328)	74,292	(958,452)	(889,488)	119,333
Transfers	10	5,328	(5,328)	-	-	-
Net movement in funds		-	68,964	(958,452)	(889,488)	119,333
Total funds brought forward		272,322	299,424	17,850,098	18,421,844	18,302,511
TOTAL FUNDS CARRIED FORWARD		272,322	368,388	16,891,646	17,532,356	18,421,844

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit on the income and expenditure account for the year for Companies Act purposes comprises the net incoming resources £32,223 less the realised loss on investments £264,991 (note 12) and was £232,768 (2015: £983,522).

NEWBY TRUST LIMITED

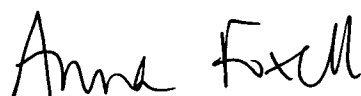
BALANCE SHEET

AS AT 5 APRIL 2016

	Notes	Restricted Funds £	Unrestricted Fund £	Endowment Fund £	Total 2016 £	Total 2015 £
FIXED ASSETS						
Tangible assets	11	270,000	-	-	270,000	270,500
Investments	12	-	-	16,871,824	16,871,824	17,856,367
		<u>270,000</u>	<u>-</u>	<u>16,871,824</u>	<u>17,141,824</u>	<u>18,126,867</u>
CURRENT ASSETS						
Debtors	13	-	77,061	-	77,061	108,012
Cash at bank and in hand		<u>2,322</u>	<u>380,556</u>	<u>19,822</u>	<u>402,700</u>	<u>1,427,363</u>
TOTAL CURRENT ASSETS		<u>2,322</u>	<u>457,617</u>	<u>19,822</u>	<u>479,761</u>	<u>1,535,375</u>
LIABILITIES						
Creditors falling due within one year	14	-	(89,229)	-	(89,229)	(1,240,398)
NET CURRENT ASSETS		<u>2,322</u>	<u>368,388</u>	<u>19,822</u>	<u>390,532</u>	<u>294,977</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>272,322</u>	<u>368,388</u>	<u>16,891,646</u>	<u>17,532,356</u>	<u>18,421,844</u>
NET ASSETS		<u>272,322</u>	<u>368,388</u>	<u>16,891,646</u>	<u>17,532,356</u>	<u>18,421,844</u>
THE FUNDS OF THE CHARITY						
Endowment fund						
Expendable endowment		-	-	12,602,654	12,602,654	12,135,967
Revaluation reserve		-	-	4,288,992	4,288,992	5,714,131
Restricted income fund		272,322	-	-	272,322	272,322
Unrestricted income fund		<u>-</u>	<u>368,388</u>	<u>-</u>	<u>368,388</u>	<u>299,424</u>
		<u>272,322</u>	<u>368,388</u>	<u>16,891,646</u>	<u>17,532,356</u>	<u>18,421,844</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 29.10.16, and are signed on their behalf by:



Mrs A L Foxell

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

1. ACCOUNTING POLICIES

1.1 General information

Newby Trust Limited is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is Hill Farm, Froxfield, Nr Petersfield, Hampshire, GU32 1BQ. The objectives of the charity are set out on page 3.

1.2 Basis of preparation

The financial statements have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A) and the Companies Act 2006.

Newby Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The functional currency of Newby Trust Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

1.3 Transition to FRS 102

Adjustments were required to the opening fund balances at the date of transition on adoption of FRS 102 and the Charities SORP (FRS 102) as explained in note 21. The transition date was 6 April 2014.

1.4 Cash flow statement

The company has taken advantage of the exemption in "Bulletin 1: Amendments to 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" from the requirement to produce a cash flow statement on the grounds that it is a small charity. The trust has adopted this Bulletin early.

1.5 Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the trust's ability to continue as a going concern for at least twelve months from the date of approving the accounts. The trustees have considered the investment performance during the year and the level of current commitments. The most significant areas of uncertainty that affect the future carrying value of assets held by the Trust are the level of investment return and the performance of investment markets. The accounts have been prepared on a going concern basis.

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

1.6 Funds structure

The expendable endowment fund represents the donated capital of the company and is invested to produce the income comprising the unrestricted fund, from which the grants in furtherance of the company's objects are paid.

The restricted fund was established by a gift, to be used to provide rent free accommodation for a named individual as long as personal circumstances required.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose of furtherance of the charitable objects.

Further details of each fund are disclosed in note 17.

1.7 Income

Income is recognised once the company has entitlement to the resources, it is probable that the resources will be received and the monetary value of the income can be measured with sufficient reliability.

1.8 Expenditure

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

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

1.9 Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.10 Allocation of overhead and support costs

Overhead and support costs have been allocated between the cost of raising funds and charitable activity on the basis of the time spent on each of these areas by the company secretary. Overhead and support costs relating to charitable activities have been apportioned based on the value of individual grant awards made. The allocation of overhead and support costs is analysed in note 5.

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

1.11 Costs of raising funds

The costs of raising funds consist of investment management and a proportion of overhead and support costs, as shown in note 6.

1.12 Charitable activities

Costs of charitable activities include grants made and an apportionment of overhead and support costs, as shown in note 7.

1.13 Governance costs

Governance costs comprise all costs involving the public accountability of the company and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees, as shown in note 9.

1.14 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and valued at historic cost or deemed cost where an asset has been recognised at fair value under a transitional rule for FRS102.

Depreciation is charged on office equipment, which is written off on a straight-line basis over its estimated useful life of three years.

Depreciation will be charged on the leasehold property from next year, the property will be written off on a straight-line basis over the remaining term of the lease.

1.15 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors

1.16 Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.17 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.18 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

1.19 Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

1.20 Contingent liabilities

In accordance with the SORP, a contingent liability is disclosed for those grants which do not represent liabilities, where the possible obligation which arises from past events will only be confirmed by the occurrence of one or more uncertain future events not wholly within the directors' control.

2 LIABILITY OF THE MEMBERS

Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of a winding up. The total number of such guarantees at 5 April 2016 was 23 (2015: 21).

3 RELATED PARTY TRANSACTIONS

No remuneration was paid to the directors in the year (2015: nil).

No expenses were reimbursed by the company in the year (2015: nil).

The company operates from an office rented from one of the directors, Mrs A S Reed. The rent and electricity costs payable to Mrs Reed in the year amounted to £1,014 (2015: £1,039). The amount due to Mrs Reed at 5 April 2016 was £1,014 (2015: £1,039).

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

4 INVESTMENT INCOME

	----- 2016 -----			----- 2015 -----		
	UK £	Outside UK £	Total £	UK £	Outside UK £	Total £
Gross income receivable from listed investments	417,479	22,665	440,144	449,919	45,549	495,468
Gross income receivable from cash held as part of the investment portfolio	674	-	674	66	-	66
Gross income receivable from property	13,200	-	13,200	13,200	-	13,200
Gross interest receivable from monies on bank deposit	904	-	904	921	-	921
Gross interest receivable from HM Revenue on customs on tax refund	19	-	19	-	-	-
	<u>432,276</u>	<u>22,665</u>	<u>454,941</u>	<u>464,106</u>	<u>45,549</u>	<u>509,655</u>

The notional income due from the property has been included (with corresponding grants payable at note 8) to reflect the provision of rent free accommodation.

The grant payable at note 8 includes the service charges paid by the trustees (£3,488) that relate to the property.

5 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The breakdown of support costs and how these were allocated on the basis of staff time, is shown in the table below.

	-----2016-----			
Cost type	Total Allocated £	Cost of raising funds £	Charitable activities £	2015 Total £
Salary (one employee only)	20,280	406	19,874	14,557
Rent and electricity	1,014	20	994	1,039
Depreciation	500	10	490	500
General expenses	1,994	40	1,954	2,661
Governance costs (note 9)	13,764	275	13,489	14,724
Total	<u>37,552</u>	<u>751</u>	<u>36,801</u>	<u>33,481</u>

There were no employees with emoluments above £60,000.

The total employee benefits of key management personnel of the charity were £20,280 (2015: £14,557).

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

5 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS (continued)

The total support cost attributable to charitable activities is then apportioned pro rata to the value of grants awarded as shown in the table below.

Total costs	2016 £	2015 £
Education	9,200	27,562
Health	4,048	3,281
Welfare	23,553	1,969
	<hr/>	<hr/>
Total allocated	36,801	32,812
	<hr/>	<hr/>

6 ANALYSIS OF COST OF RAISING FUNDS

	2016 £	2015 £
Investment management fees	73,482	78,344
Support costs	751	670
	<hr/>	<hr/>
	74,233	79,014
	<hr/>	<hr/>

7 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making and awarded grants to a number of institutions in furtherance of its charitable activities and made one grant for an individual from the restricted fund.

	Grant funded activity £	Support costs £	2016 Total £	2015 Total £
Education	76,400	9,200	85,600	1,237,712
Health	34,000	4,048	38,048	151,953
Welfare	201,284	23,553	224,837	89,809
	<hr/>	<hr/>	<hr/>	<hr/>
Total	311,684	36,801	348,485	1,479,474
	<hr/>	<hr/>	<hr/>	<hr/>

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

8 ANALYSIS OF GRANTS

Recipients and amounts of major grants to institutions over £1,000 are given in the Directors' Report.

EDUCATION	£
5 grants to institutions of over £1,000 each	76,400
HEALTH	
6 grants to institutions of over £1,000 each	34,000
WELFARE	
5 grants to institutions of over £1,000 each	32,500
Under the annual special category to fund local Charities supporting homeless people:	
15 grants of over £1,000 each	106,500
251 grants to institutions for individuals of which 39 grants were paid to the following 8 institutions, who received over £1,000 in total:	
Bromford Housing Group (23)	3,195
Independence at home (1)	2,500
Second Step Housing Association (6)	1,000
Single Homeless Project (9)	1,150
	7,845
and a further 212 grants were paid to 149 other institutions	38,841
	185,686
Less: refunds	(1,090)
	184,596
One grant from restricted funds	16,688
	201,284
Total grant payments	311,684

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

9 ANALYSIS OF GOVERNANCE COSTS	2016 £	2015 £
Auditor's remuneration: external audit	2,760	2,880
Professional fees: accountancy	11,004	11,844
	<hr/> 13,764	<hr/> 14,724
	<hr/> <hr/>	<hr/> <hr/>

10 TRANSFERS	Restricted Fund £	Unrestricted Fund £	Endowment Fund £	Total 2016 £
Transfer of annual running costs	5,328	(5,328)	-	-
	<hr/> 5,328	<hr/> (5,328)	<hr/> -	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 TANGIBLE FIXED ASSETS	Office Equipment	Leasehold Property	Total £
Cost			
At 6 April 2015	3,615	270,000	273,615
	<hr/>	<hr/>	<hr/>
At 5 April 2016	3,615	270,000	273,615
	<hr/>	<hr/>	<hr/>
Depreciation			
At 6 April 2015	3,115	-	3,115
Charge for the year	500	-	500
	<hr/>	<hr/>	<hr/>
At 5 April 2016	3,615	-	3,615
	<hr/>	<hr/>	<hr/>
Net book value			
At 5 April 2016	-	270,000	270,000
	<hr/>	<hr/>	<hr/>
At 5 April 2015	500	270,000	270,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

12 INVESTMENTS

	UK Listed Securities £	Overseas Listed Securities £	Total £
Total investments at 5 April 2015	16,927,195	929,172	17,856,367
Less: Cash balance	(43,469)	-	(43,469)
Market value at 5 April 2015	16,883,726	929,172	17,812,898
Less: Unrealised appreciation	(5,445,981)	(268,150)	(5,714,131)
Cost at 5 April 2015	11,437,745	661,022	12,098,767
Add: Purchases at cost	1,919,800	536,021	2,455,821
Less: Disposals at cost	(1,884,561)	(269,284)	(2,153,845)
Cost at 5 April 2016	11,472,984	927,759	12,400,743
Add: Unrealised appreciation	3,997,163	291,829	4,288,992
Market value at 5 April 2016	15,470,147	1,219,588	16,689,735
Add: Cash balance	182,089	-	182,089
Total investments at 5 April 2016	15,652,236	1,219,588	16,871,824

The directors consider that there were no material individual investment holdings in the year that require disclosure.

Reconciliation of movements in unrealised gains on investment assets

	Endowment Fund £	Total Funds £
Realised gain/(loss) for the year	(264,991)	(264,991)
Decrease in unrealised gain at the year end	(656,720)	(656,720)
Net loss for the year	(921,711)	(921,711)
Brought forward losses/(profits) crystallised in the year	(503,428)	(503,428)
Net movement in unrealised gain	(1,425,139)	(1,425,139)
Unrealised gains at 6 April 2015	5,714,131	5,714,131
Unrealised gains at 5 April 2016	4,288,992	4,288,992

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

13 DEBTORS	2016	2015
	£	£
Other debtors	21,912	28,614
Prepayments and accrued income	55,149	79,398
	<hr/>	<hr/>
	77,061	108,012
	<hr/>	<hr/>
14 CREDITORS: Amounts falling due within one year		
Grants payable:		
- Education	9,200	1,205,000
- Welfare	29,000	248
- Health	18,000	-
	<hr/>	<hr/>
	56,200	1,205,248
Other creditors and accruals	33,029	35,150
	<hr/>	<hr/>
	89,229	1,240,398
	<hr/>	<hr/>
15 MOVEMENT IN RECOGNISED GRANT COMMITMENTS	2016	2015
	£	£
Charitable commitments accrued		
Charitable commitments recognised at the start of the year	1,205,248	15,000
New grant commitments charged to the SOFA in year (note 7)	311,684	1,446,662
Grants paid during the year	(1,460,732)	(256,414)
	<hr/>	<hr/>
Amount of grant commitments recognised at 5 April 2016	56,200	1,205,248
	<hr/>	<hr/>

16 CONTINGENT LIABILITIES

At the balance sheet date, the company had indicated that subject to a final review on certain conditions being met, it was likely that grants of £60,000 would be made (2015: £60,000). The directors intend to make grants of £30,000 each to the Faculty of Arts and Social Sciences at Lancaster University and to the Faculty of Arts and Humanities at Durham University for postgraduate education. However, the directors require more information and clarification as to the funding before final approval will be given.

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

17 ANALYSIS OF CHARITABLE FUNDS

Analysis of fund movements	Balance at 5 April 2015 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	Fund at 5 April 2016 £
Expendable endowment	17,850,098	-	(36,741)	-	(921,711)	16,891,646
Restricted fund	272,322	13,200	(18,528)	5,328	-	272,322
Unrestricted fund	299,424	441,741	(367,449)	(5,328)	-	368,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	18,421,844	454,941	(422,718)	-	(921,711)	17,532,356
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The nature and purposes of the funds are detailed in note 1.6

18 TAXATION

The company is exempt from tax of income and gains falling within Section 505 of the Tax Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

19 FINANCIAL INSTRUMENTS

The company is exposed to interest rate risk on its bank balances and current asset investments. There is also exposure to price risk on the investment portfolio held as there is a risk that the value of the investments could fall. The liquidity risk for the charity is reduced by holding highly liquid current asset investments. The company manages its risks by appointing an investment manager.

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

20 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Restricted Funds £	Unrestricted Fund £	Endowment Fund £	Total 2015 £
TOTAL INCOME				
From generated funds:				
Investment income	13,200	496,455	-	509,655
EXPENDITURE				
Cost of raising funds:				
Investment management costs	-	39,842	39,172	79,014
Charitable activities:				
Education	-	1,237,712	-	1,237,712
Health	-	151,953	-	151,953
Welfare	17,560	72,249	-	89,809
Cost of grant making	17,560	1,461,914	-	1,479,474
TOTAL EXPENDITURE	17,560	1,501,756	39,172	1,558,488
Net income / (expenditure) for the Year before gains and losses on Investments	(4,360)	(1,005,301)	(39,172)	(1,048,833)
Realised and unrealised gains/ (losses) on investment assets	-	-	1,168,166	1,168,166
Net income / (expenditure) before transfers	(4,360)	(1,005,301)	1,128,994	119,333
Transfers	4,360	925,640	(930,000)	-
Net movement in funds	-	(79,661)	198,994	119,333
Total funds brought forward	272,322	379,085	17,651,104	18,302,511
TOTAL FUNDS CARRIED FORWARD	272,322	299,424	17,850,098	18,421,844

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

21 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

This is the first year that the charity has presented its financial statements under Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The last financial statements under previous UK GAAP were for the year ended 5 April 2015 and the date of transition to FRS 102 and Charities SORP (FRS 102) was therefore 6 April 2014.

In preparing the accounts, the directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. Set out below are the changes in accounting policies which reconcile the net movement in funds for the financial year ended 5 April 2015 and the total net assets as at 6 April 2014 and 5 April 2015 between UK GAAP as previously reported and under FRS 102 and the Charities SORP (FRS 102) in these financial statements.

Leasehold Property

The Directors have considered whether or not it is still appropriate to classify the property as an investment property under the Charities SORP (FRS102) and they have decided that per section 21.15 of the SORP it should be classified as a Tangible Fixed Asset.

The property has therefore been transferred to Tangible Fixed Assets at 6 April 2014 at its carrying value at that date of £270,000.

Revaluation Reserve

The Directors also considered the need for a revaluation reserve per the SORP and decided it was needed from 6 April 2014. The value of the revaluation reserve was calculated at 5 April 2015 to be £5,714,131 and this amount was deducted from the expendable endowment fund at that date as per the below note.

NEWBY TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

21 RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

Reconciliation of net assets

	6 April 2014			5 April 2015		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Tangible assets	1,000	270,000	271,000	500	270,000	270,500
Investments	17,926,619	(270,000)	17,656,619	18,126,367	(270,000)	17,856,367
	<u>17,927,619</u>	<u>-</u>	<u>17,927,619</u>	<u>18,126,867</u>	<u>-</u>	<u>18,126,867</u>
Debtors	90,487	-	90,487	108,012	-	108,012
Cash at bank and in hand	430,578	-	430,578	1,427,363	-	1,427,363
Creditors falling due within one year	(141,173)	-	(141,173)	(1,240,398)	-	(1,240,398)
Net current assets	<u>379,892</u>	<u>-</u>	<u>379,892</u>	<u>294,977</u>	<u>-</u>	<u>294,977</u>
Total assets less current liabilities	<u>18,307,511</u>	<u>-</u>	<u>18,307,511</u>	<u>18,421,844</u>	<u>-</u>	<u>18,421,844</u>
Creditors falling due after more than one year	(5,000)	-	(5,000)	-	-	-
Net assets	<u>18,302,511</u>	<u>-</u>	<u>18,302,511</u>	<u>18,421,844</u>	<u>-</u>	<u>18,421,844</u>

Funds of the Charity

Endowment fund						
Expendable endowment	17,651,104	(6,188,321)	11,462,783	17,850,098	(5,174,131)	12,675,967
Revaluation reserve	-	6,188,321	6,188,321	-	5,174,131	5,174,131
Restricted fund	272,322	-	272,322	272,322	-	272,322
Unrestricted fund	379,085	-	379,085	299,424	-	299,424
	<u>18,302,511</u>	<u>-</u>	<u>18,302,511</u>	<u>18,421,844</u>	<u>-</u>	<u>18,421,844</u>

Reconciliation of movement in funds

There were no transitional adjustments to net movement in funds.