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Charity Registration No. 1179847

Company Registration No. 11145243 (England and Wales)

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**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	M R Evans (Independent Member) (Appointed 18 December 2018) T Griffiths (Lay Member) (Appointed 17 October 2018) S G Hibbert (Lay Member) (Appointed 17 October 2018) D M Holland (CSEU Member) (Appointed 10 December 2018) R A Holmes (Lay Member) (Appointed 17 October 2018) A J McDiarmid (CSEU Member) (Appointed 17 September 2018) D S McPhee (Lay Member) (Appointed 17 October 2018) R Murdoch (CSEU Member) (Appointed 17 September 2018) J F Rowse (Subscriber) (Appointed 11 January 2018) H Scullion (Subscriber) (Appointed 11 January 2018) C Stevenson (Lay Member) (Appointed 17 October 2018)
<b>Charity number</b>	1179847
<b>Company number</b>	11145243
<b>Registered office</b>	88 Kingsway London WC2B 6AA United Kingdom
<b>Auditor</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
<b>Bankers</b>	Unity Trust Bank Plc Four Brindleyplace Birmingham B1 2JB
<b>Legal advisors</b>	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1BE United Kingdom
<b>Investment Fund Managers</b>	W H Ireland Limited 24 Martin Lane London EC4R 0DR

**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
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**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
CHAIRMAN'S STATEMENT  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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The Alex Ferry Foundation aims to improve the lives of people who work or have worked in the UK shipbuilding, engineering and related manufacturing industries, as well as their families and dependants. It will be a unique charity. Never before has such a significant sum been awarded for the benefit of lay members of trade unions and their communities. The Foundation was created with the assets of a trust fund established in 1989 by the CSEU to provide financial support to workers in the UK shipbuilding and engineering industries and in related manufacturing industries who were then engaged in industrial action to secure a shorter working week.

It is thought that approximately 200,000 trade union members contributed to the fund, with their contributions constituting the vast majority of the assets donated. Following conclusion of the initial campaign and industrial action, a surplus was left in the fund which over time has increased considerably with investment return. That sum of many millions will now provide the initial funding of the Alex Ferry Foundation.

The Alex Ferry Foundation was incorporated on 11 January 2018 as Alex Ferry Limited and was registered as a charity with the Charity Commission on 7 September 2018. The effective date for the commencement of activities by Foundation was 24 December 2018. The Foundation has been established with a substantial donation from the 35 Hour Week Support Fund of the Confederation of Shipbuilding and Engineering Unions.

The details of the transfer of the funds held by the 35 Hour Week Support Fund to the Foundation were the subject of a Court Hearing held on 21 June 2018 in the High Court of Justice Business and Property Court (claim number HC-2016-000386). On 12 July 2018 Mr Justice Nugee issued his Order concerning the future of the Fund. The order specified that when certain conditions were satisfied the assets held by the 35 Hour Week Support Fund would become beneficially owned by the Foundation.

The conditions were satisfied on 24 December 2018, which is the effective date of the Court Order. From that date the net assets held by the 35 Hour Week Support Fund became absolutely and beneficially those of the Foundation. The Court Order stipulated that a retention fund be held back by the 35 Hour Week Support Fund to meet any liabilities of the Trustees of that Fund that they were properly entitled to. These liabilities include all liabilities to taxation, interest on any tax owed and penalties.

The Articles of Association of the Foundation were approved during the Court Hearing and adopted by the Trustees. There is a short annual report to accompany the attached financial statements that also indicates the plans for the Foundation going forward.

It is a great privilege to be appointed the independent Chair of this new Foundation. The Trustees and staff of the Foundation will work hard through 2019 to establish the internal policies, procedures, governance oversight and grants making priorities. All the Trustees are appointed for a four year term to the end of 2022. Once we have put in place internal processes and policies of the Foundation we will publish a three year strategic plan covering 2020 to 2022.



**Martyn Evans**

Dated: 6 June 2019

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**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

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The Trustees present their report and financial statements for the period ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

**Incorporation and governing document**

Alex Ferry Limited was incorporated on 11 January 2018 as a private company limited by guarantee with no share capital under the company registration number 11145243. The company was registered with the Charity Commission on 7 September 2018 under the charity registration number 1179847. On 14 May 2019 the company changed its name to Alex Ferry Foundation. The Foundation is governed by its Articles of Association.

**Establishment of the Foundation**

Details on the establishment of the Foundation and the historical background are set out in this Chairman's Statement.

**Administrative details**

Details of the legal and administrative information in relation to the Foundation are set out at the front of the financial statements. These details include the Trustees of the Foundations as well as the organisations providing banking services, investment advice, legal advice and audit services.

**Objectives and activities**

The Alex Ferry Foundation has the following aims and objectives as laid out in our registration document with the Charity Commission. The Foundation's objects are specifically restricted to the following:

1. The relief of financial hardship/poverty among workers and former workers (and their families and dependants) in the UK shipbuilding and engineering industries and in related manufacturing industries, including relief from the consequences of unemployment among former workers in those industries in such ways as may be thought fit, including assistance to find employment.
2. The promotion of education and/or training (including through apprenticeships) of workers and former workers in the UK shipbuilding and engineering industries and in related manufacturing industries and their spouses/partners and children (up to university age), including education and/or training in matters of health and safety in the workplace.
3. The carrying out and publishing of research into the provision of occupational pensions, and educating the public in that subject.
4. The carrying out and publishing of research into ways in which the quality of life of workers in the UK shipbuilding and engineering industries and in related manufacturing industries, might be improved, including their work/life balance.
5. The relief of sickness and the preservation of health among workers and former workers (and their families and dependants) in the UK shipbuilding and engineering industries and in related manufacturing industries.

The Trustees will determine how these objectives will be achieved as part of their strategic planning during 2019.

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**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

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The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

**Organisational structure and management**

The Trustees meet at least five times in any calendar year and discuss progress, strategy and future plans. All key decisions affecting the Foundation are agreed at these meetings. The day-to-day management of the Foundation is delegated by the Trustees to Ian Waddell as the Director of Operations. Ngozi Ojike provides financial management and administrative support. The Foundation works closely with the Confederation of Shipbuilding & Engineering Unions ("CSEU") and shares staff and premises with that body.

**Governance**

The Trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were as follows:

**35 Hour Week Support Fund Trustees:**

These two Trustees were appointed on 11 January 2018 as subscribers to the Article of Association. They were appointed to oversee the election and appointment of the CSEU Members, the Lay Members and thereafter the Independent Member:

- J F Rowse
- H Scullion

**CSEU Trustees:**

These three Trustees were appointed by the CSEU Executive in September and December 2018:

- D M Holland
- A J McDiarmid
- R Murdoch

**Lay Trustees:**

These five Trustees were elected by a Special Delegate Conference of lay delegates of the CSEU in London on 17 October 2018:

- T Griffiths
- S G Hibbert
- R A Holmes
- D S McPhee
- C Stevenson

**Independent Trustee and Chair of the Board:**

A national recruitment exercise was undertaken to identify and appoint an Independent Trustee who would act as Chair of the Board of Trustees. That appointment took place on 18 December 2018.

- M R Evans

The manner of appointment of Trustees is set out in the Articles of Association. The Foundation will arrange training for the Trustees during 2019 in relation to charity governance, financial matters and other topical issues relevant to the charitable sector.

None of the Trustees has any beneficial interest in the Foundation. All the Trustees are members of the Foundation and guarantee to contribute £10 in the event of a winding up. The Foundation maintains liability insurance on behalf of the Foundations' Trustees should any legal action be brought against them.

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**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
***FOR THE PERIOD ENDED 31 DECEMBER 2018***

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**Financial review**

The Foundation received a charitable donation of £14.395 million from the 35 Hour Week Support Fund in late 2018. This donation was in the form of an in specie transfer of listed investments. By 31 December 2018 this investment portfolio had increased in value to £14.629 million. The only expenditure in the period was in relation to governance costs.

As set out in the Court Order, the 35 Hour Week Support Fund has retained £10.379 million in a Retention Fund to meet any liabilities of the Trustees of that fund. During 2019 The Trustees the Alex Ferry Foundation will seek to have that Retention Fund transferred to the Foundation and in return will offer to indemnify the Trustees of the 35 Hour Week Support Fund against any liabilities they are properly entitled to.

**Reserves policy**

As part of their strategic planning during 2019, the Trustees will determine a basis upon which they wish to maintain the capital value of the funds donated to the Foundation. The Trustees were then formulate the reserves policy the Foundation for the future.

**Investment policy and performance**

An interim investment policy statement and guidelines were established at the time that the donation was received by the Foundation in December 2018. The Trustees will review that investment policy statement and guidelines during 2019 and initiate an independent review of investment management performance.

**Fundraising**

The Foundation has not and does not intend to carry out any fundraising activities.

**Risk management**

The Trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risk faced by the Foundation is the performance of its investments and ensuring the maintenance of its capital value and protection of its income. The risk is managed with the support of investment managers and the regular review of investment performance and on-going market updates and due diligence.

The Trustees are mindful of ensuring that any reputational risks to the Foundation are mitigated.

**Grants**

As the Foundation only became operational on 24 December 2018 it made no grants in the period covered by the financial statements. The Foundation has applied to join the Association of Charitable Organisations and intends to apply to join the Association of Charitable Foundations.

**Future periods**

During 2019 the Trustees will establish an agreed grant making policy and process, internal policies and procedures, financial accounting procedures and safeguards, policy on the delegation of decisions; induction and training of Trustees and the pay and remuneration of staff.

The Trustees will pay due regard to guidance issued by the Charity Commission in deciding what activities to undertake. As a new Foundation with limited staff resources, the Trustees have decided that they will not offer grants to individuals. They will instead concentrate on offering grants to community projects that fulfil the aims and objectives of the Foundation.

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**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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The Foundation will also work with other organisations including other charities, benevolent funds, foundations and research bodies to identify and deliver national campaigns and projects related to its aims and objectives.

**Statement of Trustees responsibilities**

The Trustees, who are also the directors of Alex Ferry Limited for the purpose of company law, are responsible for preparing the Trustees 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the entity 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the entity 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report the Board of Trustees on 6 June 2019 and signed on its behalf by:



**Martyn Evans**



**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF ALEX FERRY FOUNDATION**

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**Opinion**

We have audited the financial statements of Alex Ferry Foundation for the period ended 31 December 2018 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF ALEX FERRY FOUNDATION**

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**Responsibilities of Trustees**

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Sailesh Mehta (Senior Statutory Auditor)  
for and on behalf of H W Fisher & Company**

**Chartered Accountants**

**Statutory Auditor**

Acre House  
11-15 William Road  
London  
NW1 3ER

17 June 2019

H W Fisher & Company is eligible for appointment as auditor of the by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

**ALEX FERRY FOUNDATION**  
**(FORMERLY ALEX FERRY LIMITED)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Notes	2018 £'000s
<b><u>Income from:</u></b>		
Donations and legacies	3	14,395
<b><u>Expenditure on:</u></b>		
Charitable activities	4	11
Net gains on investments	8	245
<b>Net movement in funds</b>		<b>14,629</b>
Fund balances at 11 January 2018		-
<b>Fund balances at 31 December 2018</b>		<b>14,629</b>

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

All income and expenditure derive from continuing activities.

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

**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
BALANCE SHEET**

**AS AT 31 DECEMBER 2018**

	Notes	2018 £'000s	£'000s
<b>Fixed assets</b>			
Investments	9		14,640
<b>Current assets</b>		-	
<b>Creditors: amounts falling due within one year</b>	11	(11)	
Net current liabilities			(11)
<b>Total assets less current liabilities</b>			<u>14,629</u>
<b>Income funds</b>			
Unrestricted funds			<u>14,629</u>
			<u>14,629</u>

The financial statements were approved by the Trustees on 6 June 2019

M R Evans (Independent Member)  
Trustee

Company Registration No. 11145243

*Mark R Evans*

**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**1 Accounting policies**

**Charity information**

Alex Ferry Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 88 Kingsway, London, WC2B 6AA, United Kingdom.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The is a Public Benefit Entity as defined by FRS 102.

The has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the . Monetary amounts in these financial statements are rounded to the nearest £'000s.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 December 2018 are the first financial statements of Alex Ferry Foundation prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

**1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained.

**1.4 Incoming resources**

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**1 Accounting policies (Continued)**

**1.5 Resources expended**

Resources expended are recognised in the period to which they relate.

Governance includes the costs of compliance with constitutional and statutory requirements.

**1.6 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**1.7 Cash and cash equivalents**

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

***Basic financial assets***

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

***Basic financial liabilities***

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

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

**1.8 Cash flow statement**

As there were no cash movements in the period, it has been deemed acceptable not to include a cash flow statement.

**2 Critical accounting estimates and judgements**

In the application of the '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.

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

**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**3 Donations and legacies**

2018

£'000s

Donation received from the 35 Hour Week Support Fund 14,395

**4 Charitable activities**

2018

£'000s

Share of governance costs (see note 5) 11

**5 Support costs**

Governance costs  
£'000s

2018 Basis of allocation  
£'000s

Audit fees 11 11 Governance

11 11

Analysed between  
Charitable activities

11 11

Governance costs includes payments to the auditors of £11,400 for audit fees.

**6 Trustees**

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the period. All expenses incurred by the Trustees in the period were met by the 35 Hour Week Campaign Fund and amounted to £786.

**7 Employees**

There were no employees during the period.

**8 Net gains on investments**

2018

£'000s

Revaluation of investments 245

**ALEX FERRY FOUNDATION  
(FORMERLY ALEX FERRY LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**9 Fixed asset investments**

	<b>Listed investments £'000s</b>
<b>Fair value</b>	
At 11 January 2018	-
Donations received	14,395
Valuation changes	245
At 31 December 2018	<u>14,640</u>
<b>Carrying amount</b>	
At 31 December 2018	<u><u>14,640</u></u>

**10 Financial instruments**

	<b>2018 £'000s</b>
<b>Carrying amount of financial assets</b>	
Equity instruments measured at cost less impairment	<u>14,640</u>
<b>Carrying amount of financial liabilities</b>	
Measured at amortised cost	<u>11</u>

**11 Creditors: amounts falling due within one year**

	<b>2018 £'000s</b>
Accruals and deferred income	<u>11</u>

**12 Related party transactions**

A J McDiarmid, R Murdoch, J F Rowse and H Scullion are trustees of Alex Ferry Foundation and are also trustees of the CSEU 35 Hour Week Support Fund, which made a donation of £14.395 million in the period to the Foundation.