

# **The Segelman Trust**

Charity Registration No. 1079151

## **Trustees' report and accounts**

**For the year ended 31 December 2019**

# The Segelman Trust

## Legal and administrative information

---

<b>Trustees</b>	Wilson Cotton Rebecca Eastmond Christopher Graves Timothy White
<b>Charity number</b>	1079151
<b>Principal address</b>	190 Clarence Gate Gardens Glentworth Street London NW1 6AD
<b>Accountants</b>	Smith & Williamson LLP 25 Moorgate London EC2R 6AY
<b>Bankers</b>	National Westminster Bank plc 125 Great Portland Street London W1A 1GA
<b>Solicitors</b>	White & Co 190 Clarence Gate Gardens Glentworth Street London NW1 6AD
<b>Investment advisers</b>	Walker Crips Stockbrokers Limited Finsbury Tower London EC1Y 8LZ
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

---

# The Segelman Trust

## Contents

---

	<b>Page</b>
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the accounts	16 - 28

---

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

---

The trustees present their report with the financial statements of The Segelman Trust (the Trust) for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in pages 16 to 19 of the attached accounts and comply with the charity's governing document, applicable laws 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 United Kingdom and Republic of Ireland (FR102), effective for accounting periods commencing 1 January 2015 or later.

### Introduction

During 2019, the Segelman Trust continued to make grants to charitable organisations supporting vulnerable and disadvantaged children and families. We placed particular focus on children and young people in and leaving care and on young or otherwise vulnerable parents whose children are at risk.

We have continued to place importance on building relationships with our charity partners and have used their feedback and reports to inform our grant-making decisions. We have begun to see a set of shared characteristics in the groups we fund; for example, all of the grants made in 2019 have been to organisations that take a relationship-centred approach and place the experiences and aspirations of service users at the heart of their work.

We placed an emphasis throughout the year on listening to those with lived experience of care and were delighted to support and attend the Care Experienced Conference in Liverpool in April 2019. This was an invaluable opportunity to hear directly from care experienced people of all ages and backgrounds about what is important to them and their top ten messages for an improved system of care in the UK. We were also pleased to award multi-year grants to two organisations that enable care leavers to play an active role in improving care for their peers and future generations of children in care.

We continued to develop our work in support of young parents who require skilled, early support to care for and nurture their children. We learned about the lack of social support networks for many vulnerable families and directed some of our grants in 2019 to organisations which provide connection and practical support for parents who are struggling to cope.

The Trust aspires to use its freedom and independence to support new approaches, and in 2019 we provided start-up funding to two pilot projects - Zone West in Newcastle and Acumen Academy UK. Both charities are in the midst of delivering new initiatives and have dedicated time to enable us to learn from their endeavours.

Details of our new grants can be found later in this report.

### Structure Governance and Management

The Trust was established by Gerald Segelman's Will ("the will") dated 6 May 1992. Gerald Segelman died on 5 July 1992 and probate was granted to his executors on 9 November 1992. The Trust was registered with the Charity Commission on 28 January 2000, Charity Registration Number 1079151. Previously known as the Will of Gerald Segelman Deceased, the trustees changed the name of the charity to The Segelman Trust with effect from 17 March 2016.

### Trustees

The trustees who served during the period were:

Wilson Cotton (Chair)  
Rebecca Eastmond  
Christopher Graves  
Timothy White

The trustees held a full board meeting five times during the year.

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

The trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

The power of appointing new trustees is vested in the trustees.

### Decision-making

The trustees hold ultimate responsibility for the policies, activities and assets of the charity: they agree the grant-making strategy and policies of the trust, review funding proposals, approve grants, assess grant-holder progress, review financial performance of the investment portfolio and agree investment policies. When necessary, the trustees seek advice and support from professional advisers, including investment managers and auditors, both of whom attend one meeting annually.

### Management

Since July 2017, the day-to-day management and operations of the Trust have been supported on a part-time basis by an independent consultant with experience in grant-making and a freelance book-keeper. This arrangement has continued to be successful in 2019 and will inform the trustees' thinking as they consider the long-term operational management of the Trust.

### Objectives and Activities

The Segelman Trust exists and operates for the public benefit. Its main activity is the award of grants to charities registered in England and Wales. The Trust also makes loans of instruments in its possession, as described below.

The trustees confirm they have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, considering grant awards and managing the Trust's assets.

### Grant-making policy and aims

The Segelman Trust's geographic area of focus is the United Kingdom; however, grants may also be made to registered UK charities addressing issues of poverty and marginalisation elsewhere in the world.

The Trust takes a proactive approach to identifying organisations and projects and is unable to consider unsolicited applications. This approach fits with the Trust's desire to award a small number of grants each year where it feels it can make a significant impact, and to maintain a limited administrative function.

The Trust uses its resources where it feels they can be effective to help people who are particularly vulnerable, disadvantaged and easy to ignore. Since 2018, we have developed a particular focus on children and young people with care experience and families with multiple and complex needs requiring additional support to foster and maintain a positive family life. At the trustees' discretion, grants are also made to organisations working in other spheres, where they are carrying out bold and innovative work to address social inequity.

The trustees aim to fund a mixture of frontline service delivery and advocacy work by charities that promote the voices and lived experiences of their beneficiaries to transform the wider system.

The Trust seeks to make use of its freedom and independence to fund new thinking and experimentation, even when there are risks and outcomes are uncertain. Our experience has taught us that we can be helpful in funding untested projects at an early stage of development, where funding may be difficult to find, as well as more mature enterprises at a point of transition, replication or developing an area of promise.

We look for a set of key characteristics in the organisations we fund. The Trust seeks to partner with charities that are rooted in the communities they serve, that listen and co-create with young people and families, which focus on well-being and positive relationships and which provide consistent, long-term support. We look for charity partners who can articulate clear objectives, have a framework for understanding their effectiveness and adapting in line with their learning, demonstrate well-targeted use of their resources, act with openness and transparency and are committed to sharing their learning with others.

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

For our part, we endeavour to provide flexible and timely support to our grant-holders to enable them to achieve their objectives. We aim to balance the need to provide long-term funding for organisations undertaking complex work while using our resources to fund new and innovative approaches. We seek to build a relationship of mutual trust with grant-holders by acting with openness, transparency and respect for their expertise and time.

### Achievements and Performance

In 2019, the Trust made payments to 28 charitable organisations totalling £960,000 (2018 - £919,200) and had outstanding commitments at the year-end for future payments of £800,000 (2018 -£690,000). It is anticipated that payments will be made in 2020 (£520,000) and 2021 (£280,000).

Over the year, the Trust awarded 13 new grants. The total award for all new grants (including single and multi-year) ranged from £25,000-£120,000; the median total grant was £90K and the median annual disbursement was £30,000.

All grant-holders provided an annual progress report sharing key achievements, progress against their objectives, learning and challenges, financial position and future priorities and plans.

In 2019, grants to new organisations included:

#### **Coram Voice for the New Belongings Programme**

Coram Voice works to improve the lives of children in care, care leavers and others who depend upon the help of the state. It does this by ensuring these young people's voices are heard in decisions that matter to them. The New Belongings Programme will develop a model for improving local authority support for care leavers based on engagement and involvement of their young people as experts in their own experience.

#### **Drive Forward Foundation**

Drive Forward Foundation enables care-experienced young people to find their momentum and achieve their full potential through sustainable employment. The charity is using funding from the Segelman Trust to support the development of its Policy Forum Group. The Policy Forum enables current and former Drive Forward service users - and their peers across the UK - to play an active role in improving care by addressing the disconnect between policy makers and care-experienced people.

#### **Lighthouse**

Lighthouse aims to ensure that children in residential care have the same opportunities as everyone else by creating relationship-centred, education-focused children's homes. The charity will soon open its first children's home in South West London providing thoughtfully designed accommodation and individualised trauma-informed care and support for up to six young people aged 12-18. Lighthouse is using the Segelman Trust grant for core costs.

#### **The Big House**

The Big House is a London-based charity that empowers care leavers to reach their potential. The flagship project is an intensive 12-week programme of life skills and drama participation culminating in an original, full-scale theatre production that elevates the participants' voices. Alongside this, nearly 200 people each year attend drop-in workshops and build a network of peer support. The Segelman Trust provided core funding as the charity moves towards unlocking unrestricted annual income from the rental of its newly developed premises.

#### **WILD Young Parents Project**

WILD provides an integrated whole-family service in Cornwall for young mums, dads, and their children who need additional support to create a positive start to family life. With a focus on arts and creativity, peer support and joined-up work with local partners, WILD aims to meet the individual needs of young families. WILD is using the Segelman Trust grant for core costs and to help develop its infant mental health programme, improving positive attachment and early language development.

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

---

### **St Michael's Fellowship-Young Parent Outreach Service**

St Michael's Young Parent Outreach Service works with young mums and dads living in Lambeth who need additional support to make the transition to being a parent. Expectant and new parents participate in one-to-one support and group activities to meet other parents, learn new skills and address their challenges. St Michael's is using the Segelman Trust grant for core costs and to support its growing work with young fathers.

### **Love Barrow Families**

Love Barrow Families is a Community Interest Company working with families in the borough of Barrow-in-Furness who face multiple and severe disadvantage. The organisation uses co-production principles to design and deliver health and social care services in a way that recognises and builds on the needs, strengths and assets that all families have. By helping build resilience, capacity and connection, Love Barrow Families hopes to help its families avoid intervention by child protection services. The Segelman Trust grant is being used for core costs.

### **Safe Families for Children**

Safe Families for Children works with 30+ local authorities around the UK, matching vulnerable and disadvantaged children, families and care leavers with volunteers in their community. Volunteers offer regular support, visits and short periods of respite when children cannot stay at home - in much the same way as a good neighbour or relative might step in when things are difficult. The Segelman Trust is providing core funding.

### **Drive Project**

Drive is an intensive intervention that works with high-harm and serial perpetrators to challenge behaviour, prevent domestic abuse and make adult and child victims and survivors safer. Since 2016, the Drive programme has been piloted and replicated with local service providers in seven locations across England and Wales. In 2019, the Segelman Trust provided a one-year grant to the three charitable organisations that make up the central Drive Partnership: Respect, SafeLives and Social Finance. The funding enabled the Partnership to develop a blueprint for a national response to perpetrators and to build a coalition of support for a Government funded perpetrator strategy.

### **Zone West**

Zone West is a pilot project created to deliver integrated, preventative support for vulnerable children in the West End of Newcastle. Children identified as being at risk of poor health and wellbeing are placed at the centre of a tailored, holistic support programme that utilises local community assets and is managed by a family link worker. Alongside a group of local funders, the Segelman Trust provided core funding for the 18-month pilot, which began in April 2019 and runs until September 2020.

### **Acumen Academy UK**

Acumen Academy UK was launched in 2019 with the goal of providing practical tools and resources to social innovators in the UK with the determination to tackle poverty and injustice. A key programme is the Acumen UK Fellowship, an intensive year-long leadership development programme designed to equip selected participants with the tools, mindset, and community to work across lines of difference and to create collective action in their communities. The Segelman Trust is one of three grant funders supporting the start-up of Acumen Academy UK.

### **Clean Start**

Clean Start is a charitable organisation supporting girls and women in Kenya who are currently in - or have recently been released from - prison and their children. The charity aims to break the cycle of poverty and imprisonment by improving personal and social rehabilitation support and access to skills and opportunities. The Segelman Trust has provided early-stage core funding to help Clean Start develop its strategy, operations and fundraising capacity. This is the Trust's only grant for activities taking place overseas and funding is provided through Clean Start Foundation in the UK.

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

---

### Long-term instrument loans

#### Ashmolean Museum

On 13 July 2015 the trustees entered into an agreement to lend the charity's most valuable instrument, the 1722 Stradivarius violin "Rode", to the Ashmolean Museum. It has been lent for an initial period of 5 years (renewable) and is on show in the newly refurbished musical instrument galleries, where it is a key element of the most important permanent exhibition of stringed instruments in the United Kingdom.

The trustees have agreed that it may be made available to be played, on condition that their approval is obtained.

#### Royal College of Music (2016 loan)

In March 2016, a 1758 violin in its original set-up by Gagliano was lent to the Royal College of Music for an initial period of 5 years, where it is made available to students of baroque performance.

#### Instrument donation

On 4 September 2019, the Segelman Trust was pleased to make an award of three English violins (two Heesoms and one Betts) to the Royal College of Music.

### Looking ahead

At the time of writing this report, the Coronavirus pandemic and lockdown has had a huge impact on the UK economy and the lives of all of its citizens. Invariably, the economic and social calamity will cause greatest suffering to the most vulnerable and the Segelman Trust, like all funders, is considering its long-term response. In the short-term - while we continue to develop our understanding of the impact of the crisis - we have allocated a small pot of COVID-19 funding for existing grant-holders who are providing an emergency frontline response. We will continue to listen to our charity partners as they adapt their services and prepare for the challenges that lie ahead. Our broad aim is to support resilience in existing grant-holders carrying out vital work and to respond to new opportunities where we see strong leadership and direction. Where there is a good fit, we will continue to prioritise work supporting young people with care experience and vulnerable children and families.

The trustees have discussed the impact of a reduction of the Trust's income from investments (and a modest reduction from the rental of violins and properties) as a result of the economic downturn. The Trust has sufficient levels of cash reserves to meet existing grant commitments over the next three years and the trustees intend to maintain levels of grant-making in 2020: around £1M per annum before on-costs. The Segelman Trust's main activity is to provide grants. Therefore, it is able to exercise a significant degree of control over its expenditure. The trustees will continue to keep income and expenditure under review. Whilst there will undoubtedly be challenges ahead, the trustees do not expect material concerns to arise over the Trust's financial position.

COVID-19 and the Black Lives Matter movement have drawn attention to the issue of racial disparity in the UK. The Segelman Trust is challenging itself to uncover any unintentional inequality in our grant-making processes and to act to improve our practice around diversity, equity and inclusion. Our work will start with an analysis of our data to ensure we have a good understanding of our grant-making and whether there is sufficient representation and outcomes for ethnic minority led groups. We will also consider the degree to which lived experience forms part of the leadership of the charities we support.

In 2020, The Trust will create a website for the first time and openly show our grants data using the 360Giving platform. Our intention is twofold: to contribute to making grant-making in the UK more joined up, informed and effective and to try to model the same standards of transparency we request from our charity partners. We will continue to collaborate informally with other funders and to share our learning where we can.



# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

---

### Financial Review

The financial activities are summarised on page 13 of the accounts. During the year, the Trust received total income of £1,323,941 and expended £1,652,761 of which £1,259,467 was expended on charitable activities. The net expenditure for the period before realised and unrealised gains on the investments was £328,820 (2018 - net income of £64,712).

### Investments

The Trust has a portfolio of listed investments (including cash awaiting investment), that had a market value of £28,790,467 at 31 December 2019 (2018 - £25,086,455). The trustees receive advice from Walker Crips Stockbrokers Limited. The investment criteria are regularly discussed by the trustees with the investment advisers.

The Trust has an Investment Policy that sets out the long-term investment objective and which is reviewed annually. In setting an investment policy the trustees recognise the need to balance risk within the portfolio. Whilst looking for a reasonable overall return, they are also prepared to invest to achieve higher returns, recognising that this may be associated with increased risk and volatility. The overall objective is to maximise real return on investments and, whilst the trustees recognise the importance of preserving capital, they are not wedded to an overly cautious approach. In setting investment objectives, the trustees consider themselves to be a long-term social investor and so their financial investment should similarly look for long-term performance rather than short-term gain. Accordingly, benchmarks are set that reflect the Trust's long-term strategy and it is accepted that the return profile may be different to those seeking short-term gain. The trustees believe that taking a responsible long-term approach to investment will ultimately improve returns and enable the Trust to fulfil its objects more effectively.

The trustees aim to invest the Trust's assets in a way which, as far as possible, reflects the Trust's values and a long-term stewardship approach to investment. The trustees will also identify areas of investment that they regard as being incompatible with these values and our approach. They recognise and require their investment managers to comply with the six Principles for Responsible Investment promulgated by the United Nations. Those principles are:

1. To incorporate environmental, social and corporate governance (ESG) issues into investment analysis and decision-making processes;
2. To be active owners and incorporate ESG issues into ownership policies and practices;
3. To seek appropriate disclosure on ESG issues by the entities in which we invest;
4. To promote acceptance and implementation of the Principles within the investment industry;
5. To work together to enhance effectiveness in implementing the Principles; and
6. To report on activities and progress towards implementing the proposals.

The trustees' investment managers may buy investment funds as long as they have satisfied themselves that they are following the Principles for Responsible Investment. In following any guidelines on ethical investment laid down by the trustees, they will not be responsible for monitoring the individual stocks in which those funds are invested.

No individual holding should represent more than 5% of the total portfolio under management.

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

---

### Performance

Performance of the investment portfolio is measured against appropriate publicly available charity investment indices. The benchmarks currently used are the ARC Steady Growth Charity Index and MSCI WMA Balanced Index. In addition, performance is measured against a basket of FTSE indices.

The trustees are in regular contact with their investment advisers. Monthly portfolio valuations are provided and an annual written report and oral presentation is given to the trustees.

During 2019, the value of the trustees' investment portfolio increased in line with market movements. The trustees continue to be optimistic of the long-term outlook for the charity's portfolio and continue to monitor this situation closely in conjunction with its investment managers.

In addition, at 31 December 2019, the Trust had four investment properties, three of which were asserted, two during 2002 and the third during 2004. The fourth property, Potters Way, was purchased during 2006 at market value from Philip and Penny Segelman. All of the properties are rented out to tenants at a market rent although discussions are currently ongoing with one commercial tenant regarding the assignment of their lease. The investment properties were revalued during 2014 and the trustees do not believe there has been any material change to those values between that date and the end of 2019.

### Programme Related Investments

The Trust rents out musical instruments, which the trustees are retaining for investment purposes. There were no instrument revaluations during the year. Any increase or reduction in the value of the instruments during the financial year relates to exchange rate changes. In addition, the Trust's most valuable instrument, the 1722 Stradivarius "Rode", is on loan to the Ashmolean Museum (as referred to above) and reclassified in the accounts as a programme related investment. In 2016 the trustees made a loan of the 1758 Gagliano to the Royal College of Music and it is also classified in the accounts as a programme related investment.

### Reserves Policy

The balance sheet shows total reserves of £52,512,509 (2018 - £50,028,054), which are sufficient to meet all known or anticipated commitments. They are not subject to any restrictions and are all free reserves available to be spent on the charity's activities. The trustees' policy is to hold sufficient cash to sustain the current level of grant making to beneficiaries and to meet all liabilities that are known or can be reasonably anticipated, thus avoiding the need to dispose of investments, with the attendant costs and adverse effect on performance. Although there is no restriction on their spending powers, the trustees regard cash deposits as representing spendable reserves and investments as long-term capital assets.

### Risk Management

The trustee body is made up of a balanced mix of professional advisers and experienced charity trustees. Effective internal control is maintained by delegating responsibilities and performance measurement. Procedures are kept under regular review.

The trustees regularly assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees' work on risk assessment has been formally documented and is subject to regular ongoing review.

Risks are categorised as either financial, conduct or reputational and responsibility or ownership is ascribed to each. Taking existing management controls into account, probability and potential impact are assessed to determine their status from insignificant to critical. Consideration is also given as to whether risks are regarded as static, diminishing or increasing. This enables the trustees to judge whether and where additional controls need to be implemented.

Key principal risks and the steps taken to mitigate these risks include the following:

The trust operates a grant-making policy and procedures aimed at ensuring that all grants made are both appropriate and effective. This is formally re-adopted annually. The grant-making consultant undertakes

# The Segelman Trust

## Trustees' report for the year ended 31 December 2019

research and due diligence on potential grant recipients, which includes a review of the organisation's finances and operations and at least one in-person or telephone meeting with the leader of the organisation to discuss the aims and objectives of the grant. Trustees review and approve all funding proposals and a grant agreement is drawn up containing the organisation's key milestones for the grant period. All grant recipients are asked to report annually on their progress, including both successes and challenges, and informal discussions take place as necessary throughout the year. Any requests made by grant-holders to amend the grant terms mid-course are discussed and approved by the Trustees.

The charity has a formal investment policy to ensure that it is not exposed to inappropriate investments that would cause reputational damage or financial losses that would adversely affect its grant-making potential. This policy is formally re-adopted annually. Investment managers are made aware of the policy and performance is monitored to ensure compliance with it.

### **Auditor**

The charity's auditor, Buzzacott LLP, will be proposed for re-appointment.

On behalf of the board of trustees

*Wilson Cotton*  
Trustee

*22 September 2020*  
Date

# The Segelman Trust

## Statement of trustees' responsibilities

---

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, the relevant Charity (Accounts and Reports) Regulations and the provisions of the charity's governing document. They 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.

# The Segelman Trust

## Independent auditor's report to the trustees of The Segelman Trust

---

### Opinion

We have audited the accounts of The Segelman Trust (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of 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 Charities Act 2011.

### 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 charity 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity'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 accounts are authorised for issue.

# The Segelman Trust

## Independent auditor's report to the trustees of The Segelman Trust

---

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 Act 2011 requires us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

# The Segelman Trust

## Independent auditor's report to the trustees of The Segelman Trust

---

### Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

27 October 2020

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# The Segelman Trust

## Statement of financial activities for the year ended 31 December 2019

		Unrestricted Funds	
		Total	Total
		2019	2018
	Notes	£	£
<b><u>Income from</u></b>			
Other trading activities	2	1,036	838
Investments	3	1,322,905	1,352,575
Net gain on remeasurement of foreign currency monetary assets		-	105,618
Net gain on remeasurement of foreign currency Segelman Trust GmbH debt		-	7,936
<b>Total income</b>		<b>1,323,941</b>	<b>1,466,967</b>
<b><u>Expenditure on</u></b>			
Raising funds	4	306,222	264,813
Charitable activities	5	1,259,467	1,137,442
Net loss on remeasurement of foreign currency monetary assets		84,141	-
Net loss on remeasurement of foreign currency Segelman Trust GmbH debt		2,931	-
<b>Total expenditure</b>		<b>1,652,761</b>	<b>1,402,255</b>
<b>Net (expenditure)/income before net gains / (losses) on investments</b>		<b>(328,820)</b>	<b>64,712</b>
Net gains / (losses) on investments		2,813,275	(1,207,182)
<b>Net income/(expenditure) and net movement in funds</b>		<b>2,484,455</b>	<b>(1,142,740)</b>
Fund balances brought forward at 1 January 2019		50,028,054	51,170,524
<b>Fund balances carried forward 31 December 2019</b>		<b>52,512,509</b>	<b>50,028,054</b>

All of the charity's results were derived from continuing operations during the above two financial periods.

The charity has no recognised gains or losses other than those shown above.



# The Segelman Trust

## Balance sheet as at 31 December 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Investments	8	42,125,750		38,639,075	
Programme related investments	9	9,635,640		9,852,413	
			<u>51,761,390</u>		<u>48,491,488</u>
<b>Current assets</b>					
Debtors	11	253,394		276,919	
Cash at bank and in hand		1,431,407		2,057,539	
		<u>1,684,801</u>		<u>2,334,458</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	(653,682)		(592,892)	
<b>Net current assets</b>			<u>1,031,119</u>		<u>1,741,566</u>
<b>Total assets less current liabilities</b>			<u>52,792,509</u>		<u>50,233,054</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(280,000)</u>		<u>(205,000)</u>
<b>Net assets</b>			<u>52,512,509</u>		<u>50,028,054</u>
<b>Income funds</b>					
Unrestricted funds			<u>52,512,509</u>		<u>50,028,054</u>

The accounts were approved by the trustees on

*Wilson Cotton*  
Trustee

*22 September 2020*  
Date

# The Segelman Trust

## Statement of cash flows for the year ended 31 December 2019

		2019		2018	
	Notes	£	£	£	£
Cash flows used in operating activities	14		(1,408,269)		(1,144,347)
<b>Cash flows provided by investing activities</b>					
Investment Income	15	1,322,905		1,352,575	
Payments to acquire investments		(2,221,851)		(2,230,172)	
Receipts from disposal of investments		1,372,150		2,385,672	
Donation of instruments		28,823		-	
			<u>502,027</u>		<u>1,508,075</u>
<b>(Decrease)/ increase in cash and cash equivalents</b>			<b>(906,242)</b>		<b>363,728</b>
Cash and cash equivalents at 1 January 2019			4,545,627		4,076,281
Change in cash and cash equivalents due to exchange rate movements			(84,141)		105,618
<b>Cash and cash equivalents at 31 December 2019</b>			<b><u>3,555,244</u></b>		<b><u>4,545,627</u></b>

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

#### 1.1 Basis of preparation

These accounts have been prepared for the year to 31 December 2019 with comparative information given in respect to the year to 31 December 2018.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

#### 1.2 Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the valuation of the charity's investment properties which has been estimated by the trustees based on advice received and their knowledge of property values in the local area;
- the valuation of the charity's violins which has been estimated by the trustees based on insurance valuations;
- the provision against doubtful and bad debts in respect to beneficiary debtors;
- the allocation of general overheads and governance costs between charitable expenditure categories and the cost of raising funds; estimates in respect to accrued expenditure; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

#### 1.3 Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts. In making this assessment, they have given consideration to the impact of Covid-19 on the operations and finances of the charity.

The trustees have discussed the impact of a reduction of the Trust's income from investments (and a modest reduction from the rental of violins and properties) as a result of the economic downturn. The Trust has sufficient levels of cash reserves to meet existing grant commitments over the next three years and the trustees intend to maintain levels of grant-making in 2020: around £1M per annum before on-costs. The Segelman Trust's main activity is to provide grants. Therefore, it is able to exercise a significant degree of control over its expenditure. The trustees will continue to keep income and expenditure under review. Whilst there will undoubtedly be challenges ahead, the trustees do not expect material concerns to arise over the Trust's financial position.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 1.3 Assessment of going concern (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that may affect the carrying value of the assets held by the charity are the level of investment return, the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information) and the performance of property markets.

### 1.4 Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises investment income from trading activities, income from listed investments, rental income in respect of musical instruments and rental income from investment properties, bank interest and gains on foreign currency transactions.

Income from other trading activities comprises receipts from the sale of books. Such income is recognised when a book is sold and is accounted for at fair value, being the retail price for the book net of any discounts.

Income from listed investments comprises dividends and interest receivable. Dividends are recognised as at the date of settlement. Interest payable on investment assets is recognised on an accruals basis.

Rental income from musical instruments is recognised at the point when the charity becomes entitled to the income under the relevant hire/rental agreement.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Gains on foreign currency translation arise as explained in 1.12 below.

### 1.5 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT that cannot be recovered.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

a. The cost of raising funds includes the fees paid to investment managers in connection with the management of the charity's listed investments, costs relating to the maintenance and retention of other investments, and the legal and professional expenses incurred by the trustees in respect of investment assets.

b. The cost of charitable activities includes grants payable together with related support and governance costs. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions.

Losses on foreign currency translation are as explained in 1.12 below.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 1.6 Support costs and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of administrative procedures and accounting.

Governance costs are costs associated with the governance arrangements of the charity that relate to the general running of the charity as opposed to those costs associated with charitable activities. These governance costs include the audit and legal advice provided to the trustees during the year and accountancy fees for the preparation of the accounts. Also included in this category are the costs that are associated with the strategic management of the charity as opposed to the day to day management.

#### Investments

Listed investments are included on the balance sheet at their mid-market value at the end of the financial year.

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

Investment properties are included on the balance sheet at open market value, as estimated by the trustees with professional assistance.

Musical instrument investments are included on the balance sheet at insurance value as a best estimate of the open market value.

Realised and unrealised gains and losses on investments are credited, or debited, to the statement of financial activities in the year in which they arise.

### 1.7 Programme related investments

Musical instruments that are on public display or on loan to educational institutions provide both a public benefit and an investment return and are classified as programme related investments. Where programme related investments have been classified previously as investment assets, they are included in the accounts at their value immediately prior to reclassification adjusted subsequently only for any gains or losses arising on currency translation.

### 1.8 Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### 1.9 Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### 1.10 Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 1 Principal accounting policies (continued)

#### 1.11 Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

#### 1.12 Fund accounting

The unrestricted funds comprise monies which may be utilised at the trustees' discretion towards the charitable objectives of the Trust.

### 2 Other trading activities

	2019	2018
	£	£
Income received from book sales	1,036	838

---

### 3 Income from investments

	2019	2018
	£	£
<b>Investment income</b>		
Income from listed investments	1,069,823	1,097,365
Rental income from investment properties	150,637	152,005
Compensation received due to building work to property adjacent to investment property	-	10,000
Property insurance reimbursement	2,106	1,926
Rental income from musical instruments	91,148	87,159
<b>Bank and other interest</b>		
Bank interest	1,151	2,980
Interest on cash held by investment managers for re-investment	8,040	1,140
	<hr/> 1,322,905	<hr/> 1,352,575

---

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

### 4 Raising funds

	2019	2018
	£	£
Instrument insurance	27,516	31,156
Instrument maintenance	3,559	3,894
Investment management fees	193,090	183,890
Property rental expenses	64,129	35,474
Other investment expenses	7,814	-
Support and governance costs		
Bank charges	139	293
Legal fees	9,975	10,106
	<u>10,114</u>	<u>10,399</u>
	<u>306,222</u>	<u>264,813</u>

### 5 Charitable activities

	2019	2018
	£	£
Grants payable to institutions (see below)	1,070,000	1,049,200
Support and governance costs		
Accountancy fees	4,400	25,779
Auditor's fees	9,780	13,980
Legal fees	11,361	15,405
Segelman Trust GmbH	2,795	1,760
Grants administration costs	31,056	26,865
IT equipment & software	700	652
Provision for bad & doubtful debts	95,900	-
Donation of violins to Royal College of Music	28,823	-
Sundry	4,652	1,869
Adjustment in respect of prior year	-	1,932
	<u>189,467</u>	<u>88,242</u>
	<u>1,259,467</u>	<u>1,137,442</u>

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

### 5 Charitable activities (continued)

	2019 £	2018 £
Grants to institutions comprise:		
Action for Happiness	-	40,000
Acumen Academy UK	120,000	-
Anna Freud	-	270,200
The Big House	25,000	-
Carefree Cornwall	-	90,000
The Care Experienced Conference 2019	-	9,000
Clean Start	90,000	-
Coram Voice for the New Belongings Programme	100,000	-
Drive Forward Foundation	105,000	-
Drive Project	75,000	-
Family Rights Group	-	105,000
Justlife Foundation	-	50,000
Just for Kids Law	-	105,000
Lighthouse	30,000	-
Lord Mayor's Fund	-	1,000
Love Barrow Families	90,000	-
The Matthew Tree Project	-	40,000
Quaker Social Action	-	105,000
Reset	-	24,000
Safe Families for Children	100,000	-
St Michael's Fellowship	90,000	-
Smart Works Extension	105,000	-
Street Life Trust	-	60,000
Street Talk	-	60,000
The Voices Foundation	-	90,000
WILD Young Parents Project	90,000	-
Zone West	50,000	-
	<u>1,070,000</u>	<u>1,049,200</u>
Commitments made in the period	1,070,000	1,049,200
Grants paid during the period	(960,000)	(919,200)
Commitments at 1 January 2019	690,000	560,000
Commitments at 31 December 2019	<u>800,000</u>	<u>690,000</u>
Commitments at 31 December 2019 are payable as follows:		
Within one year (note 12)	520,000	485,000
After more than one year (note 13)	280,000	205,000
	<u>800,000</u>	<u>690,000</u>



# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 6 Key management personnel

The trustees are in charge of directing and controlling the charity's resources, policies and strategic direction.

In July 2017, the trustees contracted a part-time grants administrator to take on the administration of the charity and to support the trustees in their grant-making by conducting research, due diligence and grant monitoring and evaluation. In October 2017 the trustees also contracted a part-time bookkeeper.

Apart from the reimbursement of travel expenses of £266 by R Eastmond, none of the trustees received any remuneration or reimbursement of expenses in connection with their duties as trustees or their work as key management. Two of the trustees were partners within professional services firms that provide services to the charity, however one of these trustees retired from their professional services firm in March 2019. The services provided related to the administration of the charity and its assets as well as key management functions. One of the other trustees is a director of a company which supplied office facilities for the part-time grants administrator. The charity was recharged for the use of telephone and IT facilities by this company. All fees payable to these three firms are approved by the other trustees.

T D White was a partner with the solicitors firm of White & Co during the year. This firm provided legal advice and services to the charity during the year. Total fees payable to the firm during the year were £21,000 (2018 - £21,000). At the year-end there were £42,000 fees outstanding.

W P Cotton was a partner with the accountancy firm of Smith & Williamson LLP until March 2019. This firm provided bookkeeping, taxation and financial advice and services to the charity until March 2019. The total fees payable to the firm during the year were £912 (2018 - £22,776). At the year end there were fees of £nil outstanding (2018 - £8,864).

R Eastmond was a director with the firm Greenwood Place during the year. This firm provided office facilities for the part-time grants administrator. The total fees payable to the firm during the year were £4,176 (2018 - £1,152). At the year end there were no fees outstanding (2018 - none).

### 7 Employees

#### Number of employees

There were no employees during the period (2018 - none).

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

### 8 Fixed asset investments

	2019	2018
	£	£
At 31 December 2019 fixed asset investments comprised		
Freehold investment properties	3,345,000	3,345,000
Leasehold investment properties	962,500	962,500
Musical instruments held for investment purposes	9,018,796	9,236,133
Listed investments and cash held for re-investment	28,790,467	25,086,455
Unquoted shares	8,987	8,987
	<u>42,125,750</u>	<u>38,639,075</u>

Movements on each category of investment are summarised below.

#### 8.1 Freehold investment properties

	2019	2018
	£	£
Market value at 1 January 2019	3,345,000	3,345,000
Unrealised gains	-	-
	<u>3,345,000</u>	<u>3,345,000</u>
Market value at 31 December 2019	<u>3,345,000</u>	<u>3,345,000</u>
Cost at 31 December 2019	<u>978,792</u>	<u>978,792</u>

The investment properties are included in the accounts at their open market valuation as at 31 December 2014 as estimated by the trustees based on advice received from the agents responsible for managing the properties. The trustees are of the opinion that at 31 December 2019 there had been no material change in these valuations since 31 December 2014. All properties are situated in the United Kingdom.

Following the year end, the freehold and leasehold investment property markets in the United Kingdom have seen increased volatility in response to the impact of Covid-19. Trustees will continue to monitor the valuations of these properties in light of this. However, less certainty, and a higher degree of caution, should be attached to these valuations than would normally be the case.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 8.2 Leasehold investment properties

	2019 £	2018 £
Market value at 1 January 2019	962,500	962,500
Unrealised gains	<u>-</u>	<u>-</u>
Market value at 31 December 2019	<u>962,500</u>	<u>962,500</u>
Cost at 31 December 2019	<u>358,663</u>	<u>358,663</u>

The investment properties are included in the accounts at their open market valuation as at 31 December 2014 as estimated by the trustees based on advice received from the agents responsible for managing the properties. The trustees are of the opinion that there has been no material change in these valuations since 31 December 2014. All properties are situated in the United Kingdom.

Following the year end, the freehold and leasehold investment property markets in the United Kingdom have seen increased volatility in response to the impact of Covid-19. Trustees will continue to monitor the valuations of these properties in light of this. However, less certainty, and a higher degree of caution, should be attached to these valuations than would normally be the case.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 8 Fixed asset investments (continued)

#### 8.3 Musical instruments held for investment purposes

	2019 £	2018 £
Market value at 1 January 2019	9,236,133	8,822,402
Disposals	(28,823)	-
Net investment (losses)/gains	(188,514)	413,731
	<hr/>	<hr/>
Market value at 31 December 2019	9,018,796	9,236,133
	<hr/>	<hr/>
Cost at 31 December 2019	5,677,381	5,714,970

The above market value of the musical instruments held for investment purposes are based on insurance values at 31 December 2019. The trustees are of the opinion that such values are not materially different from open market values. The instruments are situated in Switzerland and the UK.

On 4 September 2019 the trustees were pleased to gift two Heesom and one Betts violins to the Royal College of Music. These violins had a total value of £28,823.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

### 8.4 Listed assets and cash held for reinvestment

	2019	2018
	£	£
Market value at 1 January 2019	22,598,367	24,850,533
Disposal proceeds	(1,372,150)	(2,385,672)
Additions	2,221,851	2,230,172
Net investment gains/(losses)	3,218,562	(2,096,666)
	<hr/>	<hr/>
Market value at 31 December 2019	26,666,630	22,598,367
Cash held by investment managers for re-investment	2,123,837	2,488,088
	<hr/>	<hr/>
	28,790,467	25,086,455
	<hr/>	<hr/>
Cost of listed investments at 31 December 2019	20,209,048	18,939,945

All listed investments were dealt on a recognised stock exchange and comprised the following:

	2019	2018
	£	£
OEICs	3,323,929	2,902,847
UK interest bearing securities	2,432,465	2,106,371
UK equities	14,608,875	12,487,640
Overseas equities	6,301,361	5,101,509
	<hr/>	<hr/>
	26,666,630	22,598,367

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 8 Fixed asset investments (continued)

#### 8.5 Unquoted shares

	2019	2018
	£	£
Market value at 1 January and 31 December 2019	<u>8,987</u>	<u>8,987</u>

The unquoted shares represent the charity's holding in Segelman Trust GmbH, a company incorporated and registered in Switzerland. The company was incorporated on 29 June 2005 and the first set of accounts were produced for the period ended 31 December 2006 and annually thereafter. A summary of the company's profit and loss account for the year ended 31 December 2019 is detailed in note 17. At 31 December 2019 the called up share capital and reserves were £74,791 (2018 - £66,743).

The company is related to the charity by virtue of the fact that it is controlled by the trustees of the charity. As at 31 December 2019, the company owed the charity £215,992 (2018 - £133,192). Consolidated accounts have not been prepared as the company is deemed immaterial to the results of the group.

### 9 Programme related investments

	2019	2018
	£	£
Market value at 1 January 2019	9,852,413	9,376,661
Net (losses)/gains arising on foreign currency translation	<u>(216,773)</u>	475,752
Market value at 31 December 2019	<u>9,635,640</u>	9,852,413
Cost at 31 December 2019	<u>2,637,000</u>	2,637,000

On 14 July 2015 the trustees completed the loan of the Trust's most valuable musical instrument, the 1722 Stradivarius "Rode", to the Ashmolean Museum, where it is now on public display.

The trustees have also made a loan of the 1758 Gagliano to the Royal College of Music, where it is available to students of baroque performance.

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 10 Revaluation reserve

Included within the charity's unrestricted funds of £52,512,509 (2018 - £50,028,054) are unrealised gains of £22,107,812 (2018 - £19,351,771).

The total unrealised gains as at 31 December 2019 constitutes movements on revaluation and are as follows:

	2019	2018
	£	£
<b>Unrealised gains included above:</b>		
On listed investments	8,795,802	5,634,474
On investment properties	2,970,045	2,970,045
On musical instrument investments	3,581,064	3,769,578
On programme related investments	6,760,901	6,977,674
<b>Total unrealised gains at 31 December 2019</b>	<b>22,107,812</b>	<b>19,351,771</b>
	£	£
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2019	19,351,771	20,264,836
Unrealised gains / (losses) on listed investments arising in the year	3,161,328	(1,802,548)
Unrealised (losses) / gains on musical instrument investments arising in the year	(188,514)	413,731
Unrealised (losses) / gains on programme related investments arising in the year	(216,773)	475,752
<b>Total unrealised gains at 31 December 2019</b>	<b>22,107,812</b>	<b>19,351,771</b>

Gains/(losses) arising on the revaluation of musical instrument and programme related investments are related to foreign exchange fluctuations.

### 11 Debtors

	2019	2018
	£	£
Loans receivable from beneficiaries	371,183	372,383
Provision for bad debts	(371,183)	(275,283)
	-	97,100
Rental income due	20,402	8,272
Interest receivable	1,972	214
Amount due from Segelman Trust GmbH	215,992	133,192
Investment income not received at year end	-	12,764
Prepayments and accrued income	15,028	25,377
	<b>253,394</b>	<b>276,919</b>

---

# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

---

### 12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Accountancy fees		
Smith & Williamson LLP	-	8,864
Auditor's fees		
Buzzacott LLP	12,120	14,124
Investment management fees		
Walker Crips Stockbrokers Limited	47,696	43,210
Legal fees		
White & Co	42,000	21,000
Grants payable (note 5)	520,000	485,000
Accrued property expenses	2,213	2,605
Deferred income	25,181	12,500
Freelance creditors	4,125	5,400
IT costs	347	189
	<u>653,682</u>	<u>592,892</u>

### 13 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Grants payable (note 5)	<u>280,000</u>	<u>205,000</u>

### 14 Net cash flows used in operating activities

	2019	2018
	£	£
Reconciliation to changes in resources		
Net movement in funds per statement of financial activities (page 13)	2,484,455	(1,142,470)
Net investment (gains) / losses	(2,813,275)	1,207,182
Interest receivable	(9,191)	(4,120)
Investment income	(1,313,714)	(1,348,455)
Exchange rate movements on cash and cash equivalents	84,141	(105,618)
Exchange rate movements on Segelman Trust GmbH	2,931	(7,936)
Decrease in debtors	20,594	127,744
Increase in creditors	135,790	129,326
	<u>(1,408,269)</u>	<u>(1,144,347)</u>



# The Segelman Trust

## Notes to the accounts for the year ended 31 December 2019

### 15 Cash flows from investing activities: investment income and interest received

	2019	2018
	£	£
Interest received	9,191	4,120
Investment income received	1,313,714	1,348,455
	<u>1,322,905</u>	<u>1,352,575</u>

### 16 Analysis of changes in net debt

	At 1 January 2019	Cash flows	Non-cash movements	At 31 December 2019
	£	£	£	£
Cash at bank and in hand	2,057,539	(591,838)	(34,294)	1,431,407
Cash held by investment managers	2,488,088	(314,404)	(49,847)	2,123,837
	<u>4,545,627</u>	<u>(906,242)</u>	<u>(84,141)</u>	<u>3,555,244</u>

### 17 Segelman Trust GmbH

- financial statements for the year ended 31 December 2019

	2019	2018
	£	£
Income	134,438	126,321
Less: expenses	(117,579)	(116,338)
<b>Net profit before taxes</b>	<u>16,859</u>	<u>9,983</u>

The net equity of the company at 31 December 2019 totaled £74,791 (2018 - £66,743).

### 18 Post balance sheet events

Subsequent to 31 December 2019, the outbreak of Covid-19 has impacted global financial markets. Additional volatility has been seen within the listed investment and UK property markets since the year end date. The trustees have considered these risks, along with the increased need to continue to support the beneficiaries of the charity in setting their reserves policy and grant making policy as disclosed in the trustees' report.